# ROUND TABLE

A Quarterly Review of

# BRITISH COMMONWEALTH AFFAIRS

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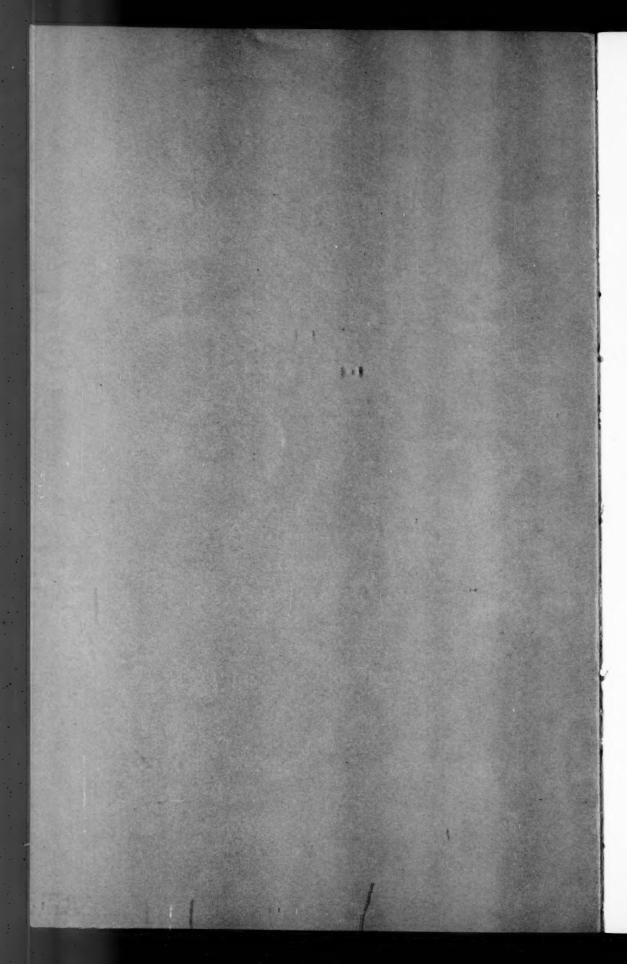
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UNITED KINGDOM IRELAND PAKISTAN CANADA
SOUTH AFRICA NEW ZEALAND RHODESIA AND NYASALAND

June 1959



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	В	y air mail 10/-

London: THE ROUND TABLE, LTD.

# TREADMILL AT GENEVA

#### A STEEP CLIMB TO THE SUMMIT

THE last leading article\* in The Round Table was devoted to the thesis that, while the maintenance of the line of communication to West Berlin was a vital interest of the West, the early reunification of Germany was not a direct interest of anyone. The latest to acknowledge its force is Mr. Khrushchev, if Lord Montgomery, reporting to a London Sunday paper† on his personal and private fact-finding visit to Moscow, has correctly understood his meaning. Lord Montgomery has come home convinced that the Russians have no intention of engaging in a hot war, and that in the nuclear age is easy to believe: it does not of course preclude endeavouring to extract everything they can get from the equal revulsion of the West from such a war, and risking its outbreak in the process. The Field Marshal then propounded two measures which he thought might ease the present tension:

First: To get the United Nations Organization "in" on the Berlin problem. The aim would be to produce a sound United Nations plan for West Berlin, with definite United Nations guarantees, acceptable to both sides. Second: To agree a simple inspection plan, possibly in a defined area initially, which could be extended gradually as mutual confidence was gained.

Mr. Khrushchev, says Lord Montgomery, agrees with these two measures and would be prepared to discuss how they could best be implemented. Lord Montgomery then went on to urge that the question of a peace treaty, requiring the pre-condition of a reunited Germany, should be separated from that of the future of Berlin; and:

Mr. Khrushchev said he personally agreed with my views. He admitted he had previously wanted to solve the two German situations at the same time. But he now saw the force of my remarks. In view of what I had said, he was prepared to separate the two problems, tackling the Berlin problem first and postponing the peace-treaty problem for the time being. He would agree to that procedure.

As these words are being written, the Foreign Ministers of the four Great Powers, with the representatives of the two Germanies present as advisers, are assembled at Geneva; and there is little enough sign that the supposedly conciliatory mood of Mr. Khrushchev has been allowed to affect the diplomacy of his representatives in the conference. Mr. Gromyko's immediate response to the concerted plan of the Western Powers for a general settlement of European problems by stages was in effect to reassert the Soviet proposals of 1955. Nevertheless, the conversations with Lord Montgomery go to confirm the impression, which has been gaining ground since the demand for an end to the occupation of Berlin was promulgated in January, that it was not

† See The Sunday Times, May 10, 1959.

<sup>\* &</sup>quot;Reconnaissance in Moscow", THE ROUND TABLE, No. 194, March 1959, pp. 103-5.

Mr. Khrushchev's personal desire to fling an ultimatum in the face of the world. But the rulers in East Berlin are well aware that the civilization of East Germany is suffering progressive atrophy through the cutting of its contacts with the West, where in the last analysis its roots are planted. Indoctrination of the rising generation with a political creed authoritatively imposed has not produced the results that the one side hoped and the other feared. The young and the intelligent of East Germany are not growing up with closed minds as the fanatical militia of Marxist culture. On the contrary, it is precisely these elements who watch for opportunities of escape to the West. Herr Ulbricht, it may be reasonably supposed, has convinced the Soviet that a rescue operation is required before East Germany dies on its feet. The Russians have not arbitrarily provoked a crisis for the sake of a crisis: time is running against them, and they need an early solution of the Berlin problem for the defence of their own position. Herein lies the danger of the situation, but here also is the opportunity for an initiative from the West.

As always, the great Western difficulty is to maintain a combined view in face of the unitary command of the Soviet. The three negotiating Powers and Federal Germany are for the moment united in advocating the plan that Mr. Herter laid on the table at Geneva on May 14. It is rational, elegant and comprehensive; but it is simply an ideal solution, which no-one supposes can be more than very partially achieved in the face of Russian opposition. At the best there must be months of hard wrangling, whether at the Foreign Ministers' table or at the summit, and it is this prolonged process that will test the capacity of the West to preserve a united front. The recent rapprochement between General de Gaulle and Dr. Adenauer is welcome in itself; but it contains a hint that the continental members of the alliance may develop a common interest distinguishable from that of the maritime members. There is also a difficulty in bringing to a common focus the views of Europe and Russia as seen from across the Channel and across the Atlantic.

It is still uncertain where the effective leadership of the West during the critical months is to lie. With a sick President and an untried Secretary of State it is at least evident that the United Kingdom, with experienced Ministers in control, must be prepared to take the initiative as and when required. Mr. Macmillan was therefore undoubtedly right in declining to advise the Queen to dissolve Parliament, whether that course was or was not domestically convenient. It is his manifest duty to see the crisis in Europe through, irrespective of any estimate of party advantage. If a change of Government in Great Britain has to be contemplated as a possibility, it must not be allowed to occur until American policy under the new Secretary of State has had time for clear definition.

Mr. Dulles took an almost theological view of the irreconcilable differences between the American and Russian doctrines, ways of life, and consequent foreign policies. The appointment of Mr. Herter, recently his lieutenant, to succeed him has been hailed by some as a victory for his unbending school; but the new Secretary of State has yet to declare himself. Our American correspondent\* judges him, by comparison with his more theo-

retically-minded predecessor, to be a pragmatist. To that extent Mr. Herter will be the better equipped to bridge the considerable gap between the American and British attitudes to the present crisis.

The essential difference is in the degree of realization that a crisis is upon us at all. In the United States there is both excitement and resolution. Forming or reflecting the public opinion of his countrymen, Mr. Dulles has left with them a prevailing conviction that Bolshevism is the unlimited negation of every American idea and interest, a circumambient ocean for ever beating against the dykes of liberty. They fear that to yield at any point is to let in the overwhelming tide.

This is an unpromising frame of mind in which to enter a period of intricate negotiation with the adversary. The first American reaction to the Russian demands in January was to reiterate that the occupation of Berlin rested upon a four-power agreement, which could not be changed unilaterally, and to leave it at that. Concurrence in the ideal Western scheme put forward at Geneva represents a considerable American concession towards British ideas of compromise.

But if a pessimistic assumption of irreconcilable conflict is the defect of the American contribution to Western thought, the corresponding weakness in Great Britain is the tendency of public opinion to ignore the crisis or treat it far too lightly. At bottom, this seems to proceed from the apathy of resignation. It is generally felt that, in the vulnerable position of our exposed island, there is nothing we can do against the ultimate threat of nuclear attack; and hence there is reluctance to take an active interest in any international debate conducted against the background of that menace. But this is an apathy that has to be shaken off. The future of our civilization is being determined by the actuality of the cold war rather than the possibility of the hot. Public opinion ought to be concentrated far more than at present upon the point at which the decisive campaign of 1959 is likely to be fought out. Dr. Joseph Luns, President of the NATO Council, defined it in his speech at the Guildhall banquet on May 11:

Were we to jeopardize the liberty of the 2½ million free people of Berlin out of fear of war, we would not only be betraying the very ideals N.A.T.O. is set to preserve but moreover soon after be faced with the outbreak of the war we sought to avoid by a policy of appearement.

This is the essential: we have to maintain West Berlin for the sake of the Berliners and their place in our civilization, and not merely as a military outpost and watch-tower. It is at this point that the ideological American and the pragmatic British approaches to the conflict of East and West converge. It is good that the unification of Berlin has been put in the forefront of the combined Western plan proposed at Geneva, and the full power of Western diplomacy has now to be concentrated upon that objective; for if anything is achieved on that limited front it may well lead on, as is suggested, towards the further aims of disarmament, mutual inspection, disengagement, German reunification and the rest—even though the harmonious rhythm of pacification described in the three-stage plan itself may be but a daydream.

### THE CHALLENGE OF TIBET

I Thas always been accepted that the Tibetan people are different from the Han people of China. There has always been a strong desire for independence on the part of the Tibetan people. Throughout history this has been asserted on numerous occasions. Sometimes the Chinese Government has imposed its suzerainty on Tibet, and at other times Tibet has functioned as an independent country. In any event, at all times, even when the suzerainty of China was imposed, Tibet remained autonomous, in control of its internal affairs.

Statement by the Fourteenth Dalai Lama, read at Tezpur on his arrival in India on April 18, 1959, after his flight from the Chinese.

Two and a half years before, in midwinter (1909–10), he had reached the Indian Frontier by forced marches, a fugitive from the Chinese. Now the Incarnation of the God of Mercy, who was also the King and the High Priest of Tibet, was returning to his own people. To do him reverence and honour Tibetan men and women, who had travelled in from all directions, had cleared every stone from the route and stood by it burning incense...

An account of the return in triumph to Tibet of the Thirteenth Dalai Lama in June 1912, from The Jewel in the Lotus by Basil Gould, an eye-witness.

#### Under the Manchus

IT is well to consider the present dramatic events in Tibet in perspective. In terms of relatively modern history this is by no means the first occasion on which a Dalai Lama has taken refuge from a display of Chinese force in flight to India. And it is entirely true that in the two and a half centuries that have passed since in 1720 the Manchu dynasty first occupied Lhasa and appointed Ambans in Tibet, Chinese authority has at best been partial and intermittent, and between 1912 and 1950 was in total eclipse. It is also true, as the Dalai Lama affirms, that hitherto, whatever the claim to Chinese suzerainty, a Tibetan Government under a Dalai Lama has always been in control of the administration of Tibet, and for long periods has also conducted external relations with other powers.

Warren Hastings experienced difficulty in 1774 in entering into relations with Lhasa, which approached direct vouchsafed no answer, and approached through Peking was equally evasive. A century later the purely nominal character of Chinese suzerainty in Tibet was revealed to the British authorities by a Tibetan refusal to recognize an Anglo-Chinese treaty of 1890 establishing a British protectorate over Sikkim, and a second Anglo-Chinese treaty of 1893, providing a trade-mart at Yatung on the Tibetan side of the Sikkim-Tibet frontier. It was Tibetan refusal even to answer letters that induced Curzon, alarmed by contacts between the then Dalai Lama and the Russians, to dispatch the mission under Younghusband which fought its way to Lhasa in 1904. There followed direct negotiations resulting in the establishment of

the Indo-Tibetan frontier north of Sikkim, in the opening of trade routes from India and in a Tibetan guarantee against concessions to third powers. Vis-à-vis Russia these arrangements were confirmed in Sir Edward Grey's famous Anglo-Russian convention of 1907, though both signatories took the occasion to affirm their recognition of the then non-existent Chinese authority as suzerain of Tibet. Encouraged thereby the Manchus signalized their demise by a last expiring effort to re-establish a military occupation in Lhasa in the winter of 1909–10. When, a year later, the Chinese Empire fell, the Manchu garrison of Lhasa was isolated, and had to surrender. It was evacuated by India in 1912. It was under pressure of these events that the Dalai Lama of the time, foreshadowing a more recent journey, decided to take refuge from Chinese troops in the peace of India, and later to return amid acclaim when the storm had passed.

It is interesting to view the ups and downs of Chinese claims to authority in Tibet against the vast background of Chinese history. It is perhaps this history above all others that gives substance to Arnold Toynbee's picture of successive waves of civilization, each rising in an almost ordered sequence to a peak, enjoying a brief period of eminence and power, then curling over and crashing to a fall. The student of the past will find each Chinese periodwave lasting two to four centuries; the Manchus for instance ruled for almost exactly 250 years. It may be that the impact of modern thought, communications and weapons on this theory of the wave will merely be to reduce centuries to decades, so speeding up the periodicity of the whole process. This is certainly the way that the Tibetan patriot will view the present flood of Chinese conquest in his country. The tide has swept in more than once before, and has been followed by the ebb; so it will be again. It is as it is with the successive Incarnations of the Dalai Lama; just as the Thirteenth of the line took refuge in India, so does the Fourteenth, who incarnates "all the former bodies", repeat the action in due time. For him too the devout will prophesy a triumphant return. As an Incarnation the present Fourteenth Dalai is not only the Thirteenth, or the Fifth (the most famous in this World), but all the others as well. This is a mystery, but it explains something of the Tibetan outlook on historical processes.

#### The Simla Convention

ONE of the first intentions of the new Chinese Republic, once established, was to prepare for a new expedition against Tibet. But the Thirteenth Dalai Lama had won great respect during his residence in India, and supported by his friend Sir Charles Bell (then Resident in Sikkim) was able to galvanize the British Government into effective action. A tripartite conference of plenipotentiaries from China, India (for Britain) and Tibet met at Simla in 1914 and signed an important Convention. Although the Chinese Government subsequently dishonoured their plenipotentiary's signature and declined to ratify this Convention, it has had important results which persist until today. For this reason it is necessary to set out its provisions in some detail.

(i) Tibet was divided into two zones, marked roughly by the line of the upper Yangtse and corresponding to the Sino-Tibetan frontier when the Manchus first invaded Tibet in 1720. The eastern zone, closer to China, was called Inner Tibet; the western zone, with Lhasa as the capital, Outer Tibet.

(ii) Chinese suzerainty over the whole of Tibet was recognized, but with strong reservations. China engaged not to convert Tibet into a Chinese Province, not to include Tibetans in a Chinese Parliament, and not to send troops into Outer Tibet (except a small escort of 300 to the Resident in Lhasa).

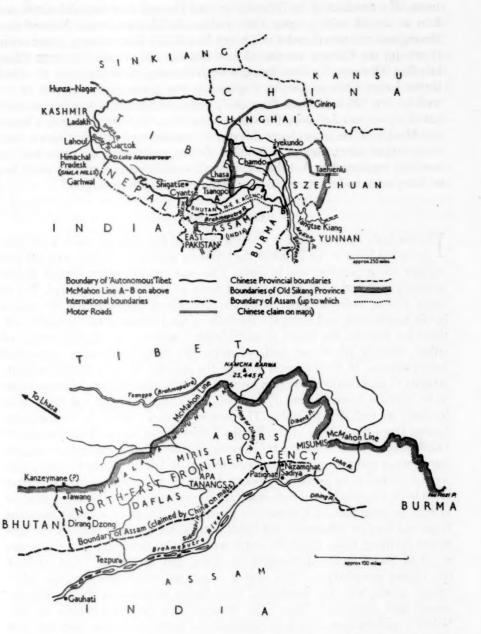
(iii) Outer Tibet was to be fully autonomous under the Dalai Lama's Government. The Dalai's Government were further to retain existing rights,

particularly ecclesiastical rights, in Inner Tibet.

(iv) The frontiers were closely defined—(a) between Inner and Outer Tibet, (b) between Tibet and India, along a line negotiated by Sir Henry McMahon, and subsequently (like the Durand Line negotiated by Sir Mortimer Durand on the North-West Frontier) known as the McMahon Line. This line roughly follows the Himalayan crest from the north-east corner of Bhutan across the Brahmaputra near the big loop to a pass called Isurazi on the northern corner of Burma (see map). To this vital frontier line we shall return.

As stated, the Chinese repudiated the convention, their ground being that they could not accept the proposed Sino-Tibetan boundaries. The convention in an almost identical form was then ratified by the British and Tibetan Governments, including the clause laying down the McMahon Line as the boundary between India and Tibet. On the question of Chinese suzerainty the consistently held Tibetan position from 1914 to 1950 was that, since the Chinese would not accede to this Convention, the bargain was off and Tibet was henceforth not only de facto but de jure independent. This attitude was supported by the claim that previous admissions of suzerainty had been due to the Manchu dynasty only, which had fallen. There was no obligation to the Republic which had taken its place. Colour is lent to this attitude by the fact that the commission to McMahon, the British plenipotentiary, to negotiate stated that events had rendered previous agreements of no effect, in other words that the 1914 negotiations started from scratch. But it is right to add here that the official British attitude even after 1914 has always been that we were prepared to admit a limited Chinese suzerainty in return for a real Tibetan autonomy. The most recent British pronouncement on the point was made by Mr. Eden as Foreign Secretary in 1943, when in a communication to Dr. T. V. Soong, then China's Foreign Minister, he stated that His Majesty's Government have always been ready to recognize Chinese suzerainty over Tibet, but only on the understanding that Tibetan autonomy is acknowledged by China.

Whatever the *de jure* position, Tibet enjoyed a factual independence, greater than autonomy, from 1912 until the Chinese Communist invasion of 1950. During some of this time there was no Chinese representation at all in Lhasa, and there were no Chinese troops, escort or other. When a Chinese representative reached Lhasa, it was either to attend an historical occasion such



as the installation of the new Dalai Lama or to carry through special negotiations. The conduct of the Tibetans at least showed that they did not regard him as armed with greater than ambassadorial credentials. Nevertheless throughout the two decades of Chiang Kai-Shek's Kuomintang government (1928–49) the Chinese continued to claim not only suzerainty over Tibet, but that Tibetans, far from being a separate race, were integrally absorbed in the larger Chinese people. Expression was given to this notion in the well-known "Five-Nations Principle", under which China was held to consist of a five-yoked chariot, the steeds being Han, Manchu, Mongol, Tibetan and Muslim. Like other claims this one is founded on a notable Chinese conviction that reiteration of a political theory, reinforced by maps and by teaching representing that theory, in itself establishes not only its truth but its acceptance and existence in fact. Maps are particularly in point.

#### Cartography

TN the early days of British rule the external frontiers of India were con-Leived as lying at the limits of the territory where the British writ ran and regular administration was in force. This was natural where British Indian territory marched with an organized State as in the case of Nepal. But at many points, as for instance along the foothills of the Sulaiman Mountains to the north-west, and along the foothills of the Himalayas to the north-east, there lay beyond the limits of administered territory an agglomeration of tribes, owning no master and, whatever the theory, enjoying a practical independence. In such cases it became the practice of early British administrators to exercise in the region beyond the administered border what came to be called a loose "political" control. The early maps did not show such territory as included in India. The nature of this control is well enough known from the history of the Pathan Tribes of the North-West Frontier;\* briefly it meant that while the tribes retained their tribal organization without interference and no attempt was made to impose law or collect revenue, they were expected to be good neighbours, to refrain from raiding and in certain cases to be responsible for communications through their territory. Later the system became part of a conscious attempt to interpose a buffer between India and foreign influences; the tribes constituted an inner line of entrenchments dividing India from the outer world. (The outer line was the series of small States from Afghanistan to Siam, and including Tibet, around the Indian periphery.) There was a conscious conviction that the most unruly tribes, left free internally, were better neighbours than a heavily armed and organized State. The system† has been jettisoned by Mr. Nehru's government, but it is necessary to mention it here because it is relevant to the claims and counter-claims that persist today on India's Himalayan frontier.

A reference to The Times Atlas of 1897, and even to a publication as late

<sup>\*</sup> The latest description will be found in Part IV of *The Pathans* by Sir O. Caroe.
† A description of the Buffer State System will be found in The ROUND TABLE, No. 180, Sept. 1955.

as Bartholomew's Century Atlas of 1924, will show that India's frontier east of Bhutan is shown along the Himalayan foothills, right down in the plains, only a few miles from the Brahmaputra. The territory immediately north of that line appears as part of Tibet, and thus (if Chinese suzerainty is admitted) as included in the Chinese dominion. No attempt is made to indicate the areas beyond the administrative border as under the Government of India's political control. It is not surprising that Chinese governments were quick

to take advantage of such cartographical errors in British maps.

It was partly owing to anomalies such as these—for cartographical uncertainty usually reflects political equivocation—that it came to be realized that it was necessary to negotiate with the organized limitrophe States, Afghanistan and Tibet, a frontier which should clearly indicate where the limits of India's control reached the limits of that of her neighbours These resulted in the north-west in the Durand Line (1893) and in the north-east in the bringing of the Himalayan and Buddhist States of Sikkim and Bhutan under India's suzerainty, and east of Bhutan in the McMahon Line already mentioned (1914). But owing to the preoccupations of World War I, which followed closely on the Simla Convention of that year, the Government of India found themselves unable to set up effective control in the corridor of territory (400 miles long and from 50 to 100 miles in depth) between the plains and the McMahon Line, or even to see to it that the newly accepted frontier should appear on British maps. The omission was not rectified until it came to notice in the course of World War II. During the last five years of British rule, in spite of war preoccupations, measures were set on foot to obtain a Tibetan reaffirmation of the McMahon Line as the frontier of India and gradually to initiate measures for bringing the north-east frontier tribes within a closer political control. But effective action to this end by Britain was cut short by the transfer of power in 1947, leaving the new India with a difficult inheritance in what is now compendiously known as the North-East Frontier Agency.

The tribes concerned are extremely primitive, and mostly at the bow-andarrow stage. To the north near the Line, and particularly around the Tawang monastery, there are small areas inhabited by Tibetans and enjoying the civilization of Tibet. Closer to Assam is a maze of high foothills covered with lush tropical forest, inhabited by aborigines, such as Daflas, Miris, Tanangs, Abors and Mishmis. (The Nagas, better known, are not in this area but south of the Brahmaputra towards Burma.) These, like the Nagas, have given the Indian Government an infinitude of trouble, partly no doubt because Hindu ideology seems unable to tolerate coexistence with societies in a tribal state and is determined that they should conform wherever an Indian writ can be made to run. Indian embarrassment over the resultant difficulties has caused the whole Agency to be put out of bounds; a close seal has been placed upon it, and all proceedings, political or military, are cloaked in a veil of secrecy. Even the proceedings of the Lok Sabha on this subject are hidden, for a paper placed on the table is available only to members of that body and is marked secret. It does not appear that anything has been said in the Sabha since the speech of Shri A. K. Chanda in 1954 and that of Mr. Nehru in the following year. It will be recalled that the course of the Dalai Lama's journey this year through the Agency from Tawang was closely guarded. No journalists, no explorers,\* have been allowed access to it.

Something has come out. We know from the proceedings of the Lok Sabha that in 1954 there were 6 Political Officers and 17 Assistant Political Officers in the region, a number about equal to the entire cadre on the Pathan border, whether in British or Pakistani times. In 1951 there were 18 major posts, and 15 outposts, in 1954 44 posts and 56 outposts, held by the expanded Assam Rifles, then apparently numbering 10 battalions. Considerable provision had also been made for the opening of schools, but above all for road-building, particularly it seems to, or near, Dirang Dzong (towards Tawang), and in the Subansiri, Dibang and Lohit valleys. And there is evidence of grave disturbance. There has been mention of as many as 150 Indian officials who have lost their lives and of heavy ambushes, resulting in as many as 50 killed in a single encounter.

But it is not only in their dealings with these tribes that the Indian Government feel embarrassment. They know that in the face of their 1954 Five Principles Agreement with China,† a sense of respect for a neighbour's territorial integrity has not prevented the Chinese from continuing to mark the whole of the North-East Frontier Agency on Chinese maps as included in China. Indeed so ingrained is this habit that similar markings are known to appear on Russian maps. Mr. Nehru, challenged in the Lok Sabha on this point, has replied that constant protest has been made to China both formally and by personal letter, and that he believes the cartography of Russian maps

merely follows that of the Chinese without inquiry.

He may take comfort from the fact that the Chinese Government spokesman, reporting the course of the Dalai Lama's recent flight, stated he had entered Indian territory at the post just north of Tawang, thereby tacitly admitting the validity of the McMahon Line. It is worth noting, too, that the Dalai Lama in his statement made after reaching the plains at Tezpur twice made detailed reference to having reached the Indian frontier "at Kanzeymane, near to Chuttangmu", on the McMahon Line just north of Tawang. He felt no doubt an obligation to his hosts to say so much.

#### Church and State in Tibet

AT this point, and before describing the Communist conquest of Tibet, it is necessary to try to understand something of the principles and inspirations of Lamaist government in Tibet. The writer has no deep acquaintance with the esoteric meaning of Mahayana Buddhism—the Greater Vehicle—and what follows must be read as the reflections of one who has from time to time learned a little of its outer manifestations. The Mahayana is the form of Buddhism prevalent in Tibet, Mongolia and along the Himalayan borderland, notably in Nepal, where, however, it is rapidly giving way once more to Brahminism. It is balanced by the Hinayana—the Lesser Vehicle—which

† Referred to later in more detail.

<sup>\*</sup> There was one exception, Kingdon-Ward, who was allowed up the Lohit valley to Walong in the earthquake year, 1950 (?).

is the Buddhism adopted in Burma, Siam and Ceylon. The beginnings of the Mahayana are somewhat obscure, but it received great impetus in the age of Kanishka, the great Kushan King, in the second century A.D. from the centre of Peshawar. It was in this form that it seems first to have penetrated into Tibet, and thence to China, where however it was diluted by Taoist philosophy and afterwards in part replaced by a reversion to the Hinayana. Under the Hinayana the Buddha was never represented; he was not a god but a sage. Under the Mahayana the sage has become divine, and is the centre of every pictorial and sculptural composition. And the idea of reincarnation, at the heart of all Buddhism, takes on a breath of the godhead.

Buddhism, in origin a reformist Hinduism rejecting caste, believes that death is constantly followed by rebirth, from man down to animal, from animal up to man. A good life merits rebirth on a higher plane, until at last by goodness a man may attain to nirvana. One who, having attained the right to nirvana, consents to be reborn for the benefit of his fellow creatures is called a Bodhisattva, and according to the Mahayana a Bodhisattva may also embody various aspects of the godhead itself. The person in whom a god is incarnate is known as a Trulku or "change-body", and is wont to be born again and again. The Dalai Lama is a Bodhisattva, or Trulku, in whom is incarnate Chinrezi, the God of Mercy.

Similarly the Panchen Lama, also known as the Tashi Lama, with seat at Tashilunpo near Shigatse, is held to be the incarnation of OPaMe, the God of Light. Both Dalai and Panchen Lamas in each Incarnation, as discovered by the auguries, are brought to Lhasa for inauguration by ceremonies not without analogy to the Christian consecration of bishops.

It was not until the fifth Incarnation that the Dalai Lama, with Mongol support, became in 1641 the temporal ruler of Tibet. This was the ruler who built the great palace of the Potala, the acropolis of Lhasa, finished by the Regent after his departure. He it was also who started the line of the Panchen Lama. The first Panchen had been abbot of Tashilunpo and the fifth Dalai's tutor, and was declared an incarnation of "Boundless Light", the spiritual guide of Chinrezi, the divine principle of mercy incarnate in the Dalai. In spiritual influence the Panchen has always taken a place close to the Dalai Lama, but temporally, in Tibetan eyes, he carries the authority only of the abbot of a monastery over the monastic lands around Shigatse and elsewhere.

It is hard for us to define in any precise way the nature of the Dalai Lama's temporal power. In theory it is unlimited, and let it be remembered that he is not only a King but a God. In practice there is the check that ultimately, or (perhaps more precisely) in origin, he is the creation of the monks and augurs who discover him as a young child, bring him up under a Regency, and are always about him. He has also a temporal Council consisting of a monk and three lay members known as the Kashag. It follows that what the Dalai does with his power must greatly depend on the character of the individual, and it takes an exceptional person to override customary checks. Nevertheless no reader of Gould's or Harrer's books\* can come to any conclusion but that as High Priest, King and God the present Dalai Lama has

<sup>\*</sup> The Jewel in the Lotus, 1957; Seven Years in Tibet, 1953.

been in early life the object of a selfless devotion which seems to penetrate beyond the Tibetan sphere and radiate outward to all who come in contact with him. Sir Charles Bell said this of the Thirteenth of the line; and it has been repeated by many who have been admitted to the friendship of the Fourteenth. It may perhaps be remarked with what astonishing dignity this young man, even now only just 24 years old\* has proclaimed his stand in world affairs in the statements issued since he reached India. The very drafting of the Tezpur statement is a masterpiece.

It is even more difficult for a Christian to define the Dalai Lama's spiritual authority. The Tibetan equivalent for our idea of Church and State is a phrase which might be translated "Religious Government"; in other words there is no Pauline dichotomy in the twin idea. He can appoint abbots in the monasteries, he is a religious teacher, and he frequently preaches, though rather, it would seem, by way of exposition than innovation. Here too he has the advice of a monastic council and would find it difficult to go against it without good consideration. But here again, as divine, he can in theory do anything. And all acts of the State are designed to maintain the religion.

By a paradox the influence of the Mahayana is probably greater in India, where there are now scarcely any Buddhists though Gantama Buddha lived and preached there, than it is in the Buddhist world, whether nominally Mahayana as in China or Hinayana as in Burma and Ceylon. Some have traced this to the link supplied by the Tantras and the Siddhas, the teaching based on the divine immanence residing in symbols of sex, adopted by the Mahayana from Tantric Hinduism. In Tibet, though it is true that the Sixth Dalai Lama wrote much-quoted love poetry and was not begrudged by his people the licence or the afflatus of a Byron or a Shelley, the Tantric doctrines were restricted to a few rare masters considered eccentric. They have been transformed into a meditative symbolism natural to Tibetans—wholly without Western inhibitions—and are understood to be not even erotic. The real bond with India is not doctrinal, but is to be found in the Indian reverence for holiness.

Nor has this holiness impressed Indians alone. Basil Gould, now dead, the writer of *The Jewel in the Lotus*, was a very normal Englishman, of the Winchester, New College and I.C.S. vintage. As the Government of India's representative he attended the present Dalai Lama's installation in 1940 when the child was aged only  $4\frac{1}{2}$  years. He has written, and often spoke, of the sense of blessing he felt flowing from

the two, small, cool, firm hands laid upon my head. I noticed the steadiness of the child's gaze, the beauty of his hands, and the devotion and love of the Abbots who attend him. All seemed to be aware that they were in the presence of a Presence.... I sensed the atmosphere, and almost the music of "Unto us a son is born... and the Government shall be upon his shoulders."

So too Heinrich Harrer of the child, in his time grown boy. And perhaps even deeper the emotion of the Indian thinker, familiar with belief in the divine incarnate in human form. No Hindu, however much he profess to be

<sup>\*</sup> He was born on June 6, 1935.

an agnostic, certainly not Mr. Nehru with his memories of Gandhi, is entirely proof against the aura of what he feels to be saintliness.

On the other side of the picture stands the Panchen Lama, installed under the auspices of the Chinese Nationalists at Kumbum outside Tibet and now brought by Red China to Lhasa to become, as it were, a sort of anti-Pope. Is the Panchen too an exponent of this holiness? Is it possible for two men, so divergent in their pronouncements—for the Panchen talks the words of

Mao-both to be in the light? What do the Tibetans think?

The case has a history. In 1937 the Chinese sought to bring the then Panchen Lama to Lhasa with an escort of Chinese soldiers with the object of establishing a counterweight to the Dalai Lama. He had left Lhasa in 1924 as a result of disagreements with the Dalai. But the project failed owing to the Panchen's death near the Tibetan frontier. The Kuomintang then installed their own candidate, but the Tibetans declined to accept the installation as valid because it was not done in Lhasa. This aspirant Panchen duly fell into Communist hands when they occupied Chinghai in 1949. He was represented as appealing "as the spiritual head of Tibet" to Mao to "liberate" Tibet. And, as is known, he was eventually brought to Lhasa by the People's Liberation Army and has now taken the Dalai's place as Chairman of the so-called Preparatory Commission.

The bells do not ring true. A Communist régime with an Incarnation as an instrument? But the true assessment on Tibetan standards is this. The Panchen Lama is not a divine Incarnation until he has been to Lhasa to be proved at the hands of worthy sponsors. He is, as it were, a bishop not yet consecrated. And on the face of it, so Tibetans would feel, his sponsors are

not such as would make possible a consecration.

One of the more notable points in the Dalai Lama's statement on reaching India is the fact that, while he mentions the Panchen Lama, he refrains altogether from criticism of his position or actions, an attitude not unlike that taken to Peter after the denials.

#### "Liberation" of Tibet

I'm has been mentioned that from 1912 to 1950 Tibet enjoyed a de facto independence. In 1933 the Thirteenth Dalai Lama "retired to the heavenly fields" full of honour, and, as stated, was succeeded by the present Incarnation in 1940. The fact that the succeeding "body" was not born until 1935, two years after the previous "body's" retirement, is of no significance; the belief is that there may well be, and usually is, an interval during which the god of Mercy finds and enters a new human abode. During this period a number of Chinese missions visited Lhasa, and China sought to increase pressure on the area under Lhasa governance (known in the 1914 abortive Convention as Outer Tibet) by carving two new Provinces called Chinghai and Sikang\* (not to be confused with Sinkiang) out of the old imperial Provinces of Kansu and Szechuan. More Sinico in their cartography the

<sup>\*</sup> Sikang was abolished by Mao's government in 1955, its territories being divided between Szechuan and the new "autonomous" Tibet (see map).

Kuomintang showed both these new areas as extending well into Lhasaadministered territory. During World War II the Kuomintang were too much occupied with Japan to give practical expression to their designs on Tibet, and shortly after it they fell. One of the first acts of Communist China was to invade Tibet in the autumn of 1950. And with this invasion begins

the contemporary story.

On October 24, 1950, Peking announced that Chinese forces had advanced into Tibet "to free 3 million Tibetans from imperialist oppression and to consolidate the national defences of China's western frontier". The answer to the comment "who in 1950 were the imperialists?" may be that in that year, three years only after the transfer of power to India, neither China, nor indeed Russia, really believed that India was free of British tutelage. But the real basis of action was of course the age-old determination of China to extend her power to the farthest limits ever held by her, and the ease of so doing in a quarter where, rightly, she gauged that effective opposition would not be forthcoming. Indian opposition was limited to two formal Notes sent on October 26 and November 1 of that year. In the first the Indian Government deplored the fact that in spite of their friendly advice the Chinese Government should have decided to seek a solution of the problems of its relations with Tibet by force rather than by the slower and more enduring method of peaceful approach. The reply to this was violent: "No foreign interference shall be tolerated in the problems of Tibet . . . the Chinese People's Liberation Army must enter Tibet, liberate the Tibetan people and defend the frontiers of China." The Indian reply to this held to the view that "there has been no resort to non-peaceful methods on the part of the Tibetans, hence there is no justification whatever for military operations against them", and attempted to clinch the matter by refusing to advise a Tibetan delegation to proceed to Peking to negotiate a settlement. His Majesty's Government a few days later supported the Indian attitude in a statement in Parliament.

The Dalai Lama, by now a boy of fifteen, had withdrawn from Lhasa to the Chumbi Valley on the Indian border to be free of Chinese duress. Meanwhile the Tibetans sought to appeal to the United Nations stating that racially, culturally and geographically they were far apart from the Chinese and the present situation was the outcome of unthwarted Chinese ambition to bring weaker nations on her periphery into subjection. The appeal failed, securing the active support of San Salvador alone! India had thought better of her initial resistance to Chinese action and on her suggestion the familiar evasive action was taken, postponing consideration while the parties sought a peaceful settlement.

Lacking support, the Dalai Lama decided the welfare of his people required his return to the capital and the dispatch of a Tibetan delegation to Peking to negotiate a settlement. Thus emerged the 17-point Sino-Tibetan Agreement of 1951 to which the Dalai made reference in his recent statements.

Of course Red China no longer pretended, as had the Kuomintang, that Tibetans were one with Chinese. For the Five-Nations Principle they had substituted another on the Soviet model adopted in Central Asia, that is to say one of nominal cultural autonomy with a big Chinese brother substituted for Stalin's big Russian. The main points of the 1951 Agreement are:

(a) The assumption by China of responsibility for the defence of Tibet, for which purpose the Chinese Army is to be allowed free entry into Tibet, the Tibetan Army is to be absorbed into the Chinese Army and a Chinese military headquarters is established in Lhasa;

(b) Chinese control over Tibet's foreign relations;

- (t) the maintenance of the existing political and religious structure, of the Dalai Lama's authority, and of "the established status, functions and powers" of the Panchen Lama;
- (d) the right of the Tibetan people to exercise "national regional autonomy under the unified leadership of the Chinese People's Government (note that the C.P.G. does not accord its minorities "the right of secession", as does the U.S.S.R.!);

(e) the establishment of a political and military committee in Tibet in order to ensure the implementation of the agreement.

This was followed by what Mao called a "reconciliation" between the Dalai and Panchen Lamas, who in 1954-55 visited Peking. During that visit there was established the "Preparatory Committee for the Autonomous Region of Tibet". Of this until March the Dalai Lama was the Chairman; his place is now taken by the Panchen.

Great activity has been shown in the building of roads, of which two, passable by motor transport, are now said to reach Lhasa from China. One road, projected if not built, seems to be planned to cross a corner of northern Kashmir on its way from Yarkand in Sinkiang to Gartok in Tibet. In this region the frontier has never been demarcated, and the alignment may well trench on the interests of India in Ladakh and of Pakistan, which is in factual occupation of Hunza from Gilgit. There is also a road south from Lhasa via Shigatse to Yatung on the Indian frontier; whether the Tsangpo (Brahmaputra) has been bridged does not seem to be known.

There has been famine in parts of a land of which the produce does not suffice to feed the inhabitants together with an army of occupation. There are plentiful reports of efforts to undermine Tibetan religious beliefs and organization through the usual materialistic propaganda and harassment of the monasteries, also by removing hundreds of young Tibetans for inoculation in China as the nucleus of Communist cadres.

The result is the rising of the current year. Readers must judge which version is nearer the truth, that of the Dalai Lama's statement or that put out by Mao, Chou-en-lai and the Panchen Lama.

#### India or China Asia's Leader?

IT remains to assess the position and prospects of India, and indeed of the Commonwealth, in all this.

All along the Himalayas, from Ladakh on the Kashmir border, down through Lahoul and the hills beyond Simla, past Nepal to Sikkim and Bhutan, and on to the aboriginal tribes in the big bend of the Tsangpo (Dihang, Siang or Brahmaputra) the bulk of the population is Mongoloid

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and closely allied to the Tibetan racial type and culture, not to the Indian. And, the primitive tribes excepted, many are of the Mahayana Buddhist faith and not Hindus. Yet just because Tibet itself, and this Mongolian fringe in the Himalaya, are closer geographically and spiritually to India than they are to China, it may be said that in most respects their culture shares more Indian inspirations than Chinese. Moreover proximity makes India, not China, the natural outlet for trade. A further sign of their Indian orientation is their use of the Sanskrit alphabet in place of Chinese ideograms. But, as stated, perhaps the chief bond is the Indian recognition of a true spiritual afflatus in the religious system of the Mahayana.

For many years, from long before the British transfer of power in the subcontinent in 1947, it had been evident that a contest for the soul of the Himalayan peoples between India and China was bound to come. It was foretold in the essays of Sir Alfred Lyall, *Oriental Studies*, written late in the last century, and it is now upon us. The key to the contest is the destiny of

Tibet, and to a lesser extent of Nepal.

It has been suggested here that the buffer system of frontier defence inherited by India from Britain, was sound. This consisted of an inner ring of States and tribes in close relations with the Delhi government, but free in their internal affairs. These were Kashmir, Nepal, Sikkim, Bhutan, and the North-East Frontier tribes. Behind them on the glacis was a Tibet on the real autonomy of which Britain was determined to insist. Mr. Nehru has jettisoned all that, partly no doubt because the partition of the sub-continent, with its resultant tensions between India and Pakistan, makes India incapable of furnishing aid by herself to any peripheral State menaced from without. He has replaced it in the inner ring by the assertion of a far tighter authority than that exercised by Britain—for example, he has substituted a satellite for an independent Nepal and penetrated the North-East Frontier tribal area—and in the outer ring by an uneasy and somewhat ambivalent diplomatic finesse, the result of which has not hitherto been to preserve the substantial autonomy of Tibet.

The certainty must be faced that before long India will have to meet, if not hot war, at least cold war and methods of infiltration all along the inner ring from Ladakh to the Brahmaputra bend. Even Pakistan on the flank is likely to be affected. The Hunza-Nagar States north of Gilgit are part of Pakistan-occupied Kashmir, and, like Nepal and Bhutan, once paid a quadrennial tribute to the Manchu Empire. No Chinese government, blue, pink or red, ever forgets the limits of territory which was at any time in history once within Chinese suzerainty. In earlier centuries the bastion of the Sulaiman Mountains, often indeed breached, protected the Indian sub-continent on the north-west; in this century the omens are that the Himalaya, hitherto

inviolable, will have to meet a more dangerous thrust.

It is with considerations such as these in mind that Mr. Nehru made his 1954 Agreement with China. For the most part this Agreement, due to expire in 1962 unless renewed, deals with normal matters of trade routes and facilities for pilgrims to such places in Tibet as Kailas and Manasarowar, holy to countless Indians. But it is notable as the document which first

enshrined what have come to be known as the "Panchshila", the five principles of mutual respect for each other's territorial integrity and sovereignty, mutual non-aggression, mutual non-interference in each other's internal affairs, equality and mutual benefit, and lastly peaceful coexistence. Hindu knowledge of history has never been profound, the Hindu mind preferring the wide sweep of generalities presented as doctrine. Since this Agreement was drawn up in the context of Tibet, it is clear that Mr. Nehru acknowledged without reservations that that country is in his concept an integral part of China. It follows that his agreement to accept the Dalai Lama as an honoured refugee from Chinese aggression, permitted to make political pronouncements, will be represented as a breach of the Panchshila. He may now affirm that he will not allow his guest to discharge the functions of a government in exile, but the distinction is narrow and is unlikely to soften Chinese wrath. Mao may retaliate by many methods; these could include an announcement that China does not recognize the McMahon Line as an international frontier, a revival of the Manchu claim to tribute from Nepal, and a suggestion that Ladakh, Sikkim and Bhutan are still, as they once were, a part of Tibet and therefore of China. Mr. Nehru will not wish to provoke these perils. On the one hand there is involved what he has certainly regarded as his triumph of foreign policy, his friendly accommodation with China sealed with clichés; on the other is the pressing call from Indian feeling, deeply stirred, not to suffer the oppression of good and peaceful men. And behind it all there begins to dawn the knowledge that in the long run coexistence on the Himalaya with an aggressive China is an opium dream.

In the beginning Mr. Nehru, who likes to bestride the Asian stage himself, will be inclined to play down the emotionalism that attaches to this emergent player in the drama, the Dalai Lama. There are signs of this attitude in the reports of their recent meeting, and even of some aspiration on the part of the older and in this scene more practised player to act the guru. It is being suggested for instance that the Dalai's accommodating letters to the Chinese authorities before leaving Lhasa indicate him to be no more than a distraught youth, uncertain of his mission and playing for time. But even here there is good authority for the wisdom of making friends with the unrighteous, and it is too early to predict that this priest-King will fail to fulfil what his disciples expect. Time will show. He may even consent on terms to return to Lhasa, as he did in 1950, to negotiate by his own sacrifice the redemption of his people. And Mr. Nehru for his part—for he is great-hearted—may find it hard to maintain the attitude of the most superior person in face of develop-

ments transcending the issues of more normal politics.

There are more mundane considerations which may help him to take heart.

Lhasa and Gartok are barely 100 miles from India's border; from China

transcent they are a consend a conspiles distant. In Tibet China is uncomfortably

proper they are 1,000 and 2,000 miles distant. In Tibet China is uncomfortably extended. For this reason India should be able to deal easily with border pinpricks; the Chinese supply position over this immense and hazardous terrain is too difficult for them to do much that is serious, provided that India deals firmly with the pricker on each occasion. But how much stronger and firmer would be the defence if India would settle with Pakistan over Kashmir! For

the problem of Chinese imminence is essentially one affecting both States

and calls for common thought in both planning and execution.

Nor is the dominance of Tibet by China of concern only to India and the Free World; it brings Peking uncomfortably close to Soviet Central Asia, that area of a real Russian *imperium*. Whatever Mr. Nehru's views on the buffer State system, the Kremlin has known its value well enough. Mongolia supplies a standing example, and Stalin did his best to make a buffer of Sinkiang, while neither he nor his successor ever attempted to subvert the theocracy of Tibet. The reassertion of Chinese power in both Sinkiang and Tibet brings the Kazakhs and Kirghiz under Moscow into direct contact with a China which will not forget old Chinese claims in that region also.

There remains one consideration, that of the attitude of Great Britain, and indeed the Commonwealth as a whole, to a member State, professedly neutralist, which may become involved in a dangerous dispute with China. If Commonwealth membership has a vital meaning, and if (as surely our unwritten principles would demand) we deprecate the possibility of Communist aggression or subversion of India's defences, then India's pursuit of neutralism in other contexts should not deflect the Commonwealth Governments, including that of Pakistan, from giving all the support necessary to

maintain the integrity of the Himalayan frontier.

The mobilization of opinion in the United Nations to restore a real Tibetan autonomy is another question to which a separate article could be devoted.

The conclusion of some on reading this survey may be that the medievalism of Tibet is outdated and not worth all this thought. To them the answer might be in the voice of Mahbub Ali to Kim's Lama, knowing saintliness when he beheld it: "I may come to Paradise later—I have workings that way—great motions—and I owe them to thy simplicity."

# FROM LAKES TO OCEAN

#### THE ST. LAWRENCE SEAWAY

THE Canadian people are awaiting with keen interest an important L ceremony fixed for June 26, when Queen Elizabeth and President Eisenhower will together at the St. Lambert Lock near Montreal formally open the St. Lawrence Seaway and thereby set the seal upon the full fruition of a notable partnership between Canada and the United States in a great enterprise in construction, which promises valuable benefits to both countries. The great river St. Lawrence was given its name because Jacques Cartier, the daring French mariner from St. Malo who was the first discoverer of Canada, arrived with his flotilla of three tiny ships in its estuary on the feast of St. Lawrence, August 10, 1610. During the era of the French régime the river was freely used by traders, trappers and missionaries to gain access to the heart of the continent, but it had little value as an artery of commerce until under British rule in the first half of the nineteenth century canals were constructed to pass the series of rapids by on the section between Montreal and Kingston, and the Welland Canal, opened in 1829, was built to evade the obstacle to navigation between Lake Ontario and Lake Erie created by the great gorge of the Niagara River and its famous falls.

From the Atlantic Ocean to the western end of Lake Superior, the St. Lawrence system provides a waterway roughly 2,000 miles in length; during most of its course its centre is the boundary between Canada and the United States, but from a point near Cornwall, Ontario, where it ceases to be the boundary between the state of New York and Ontario, its flow to the ocean is wholly in Canadian territory. Long ago it was realized that the 47 miles of swift rapids on what is known as the International section of the river flowing between Chimney Point and the head of Lake St. Francis offered great possibilities for the development of hydro-electric energy; and in 1913 the Stateowned Hydro-Electric Commission of Ontario initiated a study of their potentialities. When a report about this study was completed in 1921 and submitted to the International Joint Commission, a body created to exercise jurisdiction over waters crossing the frontier between Canada and the United States, the Commissioners were so impressed by it that they appointed a joint Board of Engineers with instructions to enlarge the scope of the original

study.

So favorable was the report of this Board that in 1932 the Governments of Canada and the United States concluded in 1932 a treaty for a partnership in the construction of what was then called the St. Lawrence Waterway. But firm opposition to the project from railway interests and the authorities of ports on the eastern seaboard of the United States found so many backers in Congress at Washington that the treaty was denied ratification. So no headway was made with the enterprise until in 1952 the St. Laurent Ministry suddenly announced that Canada was ready to undertake the construction

of the St. Lawrence Waterway on her own account. This announcement produced immediate realization at Washington that the United States must secure some share in the control of such an important channel of commerce, and the opposition to it in Congress was overcome; but the obstacles to the ratification of the treaty were not all cleared away until a verdict of the Supreme Court of the United States in 1954 removed the last. Meanwhile the Federal Government of Canada and the Provincial Government of Ontario had signed an agreement under which the Province was designated as the Canadian authority for dealing with power projects on the river and the Hydro-Electric Commission of Ontario was assigned the responsibility of co-operating with the Power Authority of the State of New York in the development of power on the International Rapids Section. To supervise the construction of the Seaway the Canadian Government appointed a body called the St. Lawrence Seaway Authority and the United States Government established a St. Lawrence Development Corporation. Both bodies were armed with comprehensive powers and instructed to co-operate, and the first tenders for construction were called for in July 1954. Less than five years were occupied in the building of the Seaway, which was unofficially opened for navigation early in April 1959, as soon as it had become ice-free. There are still a few loose ends in the work of construction to be tidied up, but for all practical purposes the Seaway is now in operation and to its estimated cost of 460 million dollars Canada has contributed the larger share -329 million dollars as compared with the 131 millions supplied by the United States.

Westbound ships using the Seaway enter it at the St. Lambert Lock at the south end of the Victoria Bridge, which spans the St. Lawrence, and in it they will be lifted 15 feet above the level of Montreal Harbor. They will then pass through the Lapraire Basin to the second lock at Coté St. Catherine, which will lift them 30 feet up to the level of Lake St. Louis and enable them to pass the Lachine Rapids by. After entering this lake they will proceed some 10 miles by dredged channels to the Lower Beauharnois Lock at the western end of the lake. There, after being lifted 41 feet, they will travel through a short canal to the Upper Beauharnois Lock, which will lift them another 41 feet into the Beauharnois Canal. This canal, originally built in 1845 with a depth of 14 feet, has now been deepened to 27 feet, and through it vessels reach Lake St. Francis, another expansion of the river. At its western end they reach the obstacle of the main power dams behind which a great new lake has been created but they pass it by, using two locks and a canal 10 miles long which links them, all in American territory. Then, entering the great power pool, they sail through it until they reach the Iroquois Lock, through which the Iroquois Dam, built to control the level of Lake Ontario, is passed by. They will next sail westward without interruption by locks, up the old channel of the river, through the beautiful scenery of the Thousand Islands and across Lake Ontario, until they enter the Welland Canal at Port Weller and are lifted through its seven locks into Lake Erie, at whose western end they will pass in succession through the Detroit River, Lake St. Clair and the St. Clair River before reaching Lake Huron, the first of the Upper Lakes. Westward of this point ships have only one barrier, the locks at Sault Ste Marie, to surmount in order to reach the eastern end of Lake Superior, 600 feet above sea level.

#### The Cost of Passage

THE legislation passed at both Ottawa and Washington in relation to the Seaway contained explicit instructions to the authorities concerned with its management that tolls should be levied on vessels using it for the purpose of financing its operation and repaying the cost of its construction. The settlement of these tolls was not a simple problem, because the Seaway did not enjoy a monopoly and had to reckon with competitors for the available traffic. After a special toll committee of four members, appointed by the Canadian and American authorities over the Seaway, had held preliminary hearings in both countries, they reached an agreement about a scale of tolls, which they announced. Subsequently the committee at further sessions in Ottawa and Washington heard the representations of interested parties about the proposed rates and then proceeded to settle definitely upon a composite toll, consisting of a relatively small charge based upon the registered tonnage of each vessel plus a charge based on the volume of cargo carried by it.

The proposed tolls are as follows,

On the St. Lawrence canals between Montreal and Kingston, on bulk traffic, 40 cents per ton plus 2 cents per gross registered tonnage of a vessel; on other traffic 90 cents per ton on the cargo plus 5 cents per gross registered tonnage.

On the Welland Canal 2 cents per ton on bulk cargo plus 2 cents per gross registered tonnage; for other traffic, 5 cents per ton on cargo and 2 cents per gross registered tonnage.

Since the Welland Canal, upon whose construction Canada had spent 132 million dollars, had always been toll-free, there were vigorous protests by shipping and other interests against the imposition of tolls on it, but they were disregarded, because the new toll is comparatively light and the revenue from it is needed to meet the cost of operating the canal and the debt charges on the sum of 29 million dollars, which has recently been spent on increasing its depth to 27 feet. It is estimated that from 10 to 12 per cent of the cargo transported along the Seaway will be general cargo and the balance bulk cargo, largely composed of iron ore, grain, coal, petroleum products and wood products, and that while in the early years of the Seaway's operation the annual tonnage of cargoes on it will be 25,000,000 tons per annum, which would be more than double the tonnage now passing each year through the old St. Lawrence canals, progressive increases in traffic will bring the total annual tonnage up to 40,000,000 tons by 1970. An even greater increase is forecast for traffic on the Welland Canal, which is expected to rise from its present volume of 23,000,000 tons per annum to 60,000,000 tons by 1970. A substantial number of ports on the Great Lakes, because they lack the depth in their harbors, the docking facilities and the volume of locally available traffic needed to attract large vessels are not in a position to profit by the opening of the Seaway. But all the major ports on it are taking steps to cope with the additional traffic that they hope to allure. The authorities of the port of Duluth in the state of Minnesota are spending 100 million dollars on the enlargement of its docks and the improvement of their equipment in the hope that it may become the favored western terminal for ocean-going ships. Faced with the threat of Duluth's competition, the adjacent Canadian ports of Fort William and Port Arthur have forsworn their traditional rivalry to organize a joint Harbor Commission for the purpose of achieving a coordinated development of the facilities of their harbors and are pressing the

Federal Government for generous financial assistance.

Sarnia on the St. Clair River and Windsor on the Detroit River are also planning extensive improvements; and the Harbor Commission of Hamilton has already embarked upon an ambitious program for a reconstruction of its harbor designed to provide accommodation for large ocean vessels. At Toronto authorization has been given for the expenditure of 7.5 million dollars on dredging work, which will give its harbor a general depth of 27 feet, and at Montreal considerable progress has already been made with a program of improvement, which will cost 60 million dollars. Several new berths with a depth of 35 feet are expected to be completed this summer, and the capacity of the port in grain elevators is to be raised to nearly 22 million bushels. Several smaller ports are also trying to improve their equipment, and a large American grain company has announced its intention of erecting a big grain elevator at Baie Comeau on the Gulf of St. Lawrence, 225 miles east of Quebec City.

#### Changes in the Grain Trade

Thas made this move in the expectation that the Seaway will cause revolutionary changes in the long-established pattern of the grain trade of both Canada and the United States. Today all the newer vessels designed to carry bulk traffic are what is known as the "laker" type, many of them as long as 700 feet, and smaller vessels are being lengthened to increase their carrying capacity. Shipping experts predict that the present practice of transferring exported grain from the large "upper lakers" to small 2,550-feet "canallers" at such points as Port Colborne and Prescoot will cease, because the "lakers" will be able to carry the grain all the way through to Montreal; and some reduction in the rates on grain, now 16 cents per bushel between Fort William and Montreal, is hoped for. Iron and steel interests which have plants on the shores of the Great Lakes or in their vicinity and which have begun to draw large supplies of iron from mines in north-eastern Quebec and Labrador, expect to profit by the lower rates which ought to be possible for direct shipments of the ore on large ships.

But some of the other consequences of the Seaway are less favorably regarded. Montrealers are afraid that there will be a serious curtailment of their port's profitable business in trans-shipment, when ocean-going vessels can ply freely into the centre of the North American continent. Again manufacturers in the industrial centres of Ontario have forebodings that the lowering of transportation costs made possible by direct shipments will

bring to their doors severe competition in steel machinery and other goods, which exporters from West Germany and other European countries will be able to offer at prices well below the Canadian level; and they are demanding safeguards against this threatened competition. Then in Canadian shipping circles there is great disquiet about a recent decision of the Maritime Commission of the United States to classify as a route "essential to national security" the shipping route between the North Atlantic and the western end of the Great Lakes. American vessels using this route have thereby become eligible for very generous State subsidies, and fears are expressed that these will give them an unfair advantage in competing with Canadian and other ships for cargoes. But officials of the Transport Department at Ottawa regard such fears as groundless, because the subsidies will only compensate for the handicap which the much higher scale of wages paid on American ships will impose on them for competition with ships of other countries on the Seaway. Coasting trade between points in Canada has always been reserved for Canadian and British ships and, since a Royal Commission, appointed to examine and report upon the probable effects of the Seaway upon the coasting trade of Canada, has pronounced in its report against the demand of Canadian shipping interests that British ships should be excluded from this trade, the present arrangement will be maintained.

Other conclusions of the report of this Royal Commission were subject to the reservation that they could only be tentative until new patterns in traffic on the Seaway had attained a certain degree of stability. For example, only experience can reveal what amount of time will be occupied by itinerant ocean tramps on a voyage through the Great Lakes and what will be the rôle and effectiveness of such tramps in the movement of iron ore. But subject to these reservations the report forecasts the following developments:

1. General cargo liners can expect to maintain effective competition for export cargoes of grain; but they may complement more than compete with the inland bulk carriers, because a considerable volume of the inland grain movement may be required to meet the demands of liners at terminal ports or ports of call.

2. Ocean tramps entering the Great Lakes with inbound cargo will be able to quote comparatively low rates for shipments of grain oversea, but will not necessarily be in a better position than the cargo liners, whether the latter load grain at Chicago or Montreal or some other point of transfer.

3. If an ocean tramp inbound can secure a cargo at Sept Isles, today the only port from which iron ore from the mines of the Ungava peninsula can be shipped, without undue delay for discharge at some port on the Upper Lakes, the revenue thus earned will place it in a strong position to offer a very low rate for moving grain directly oversea from the western end of Lake Superior. But tramps that cannot obtain westbound cargoes of iron ore or other commodities will be most likely to load at the most convenient point of transfer where a cargo can be procured. So in the opinion of the Commission the inland fleet, which may include other vessels as well as Canadian "lakers", can expect to carry not only all the domestic movement of grain but also large quantities of exported grain to be transferred to liners and

other vessels at transfer points, although there may be keen competition for direct shipments oversea.

#### **New Resources of Power**

But the construction of the Seaway has also facilitated a huge development of hydro-electric energy, which will prove a very valuable resource to both Canada and the United States. The River St. Lawrence had come to be recognized as Ontario's last remaining source of hydro-electric energy from which transmission of it to large centres of consumption was an economical project, and the northern area of the State of New York was in equal need of fresh supplies of power. So the Hydro-Electric Commission of Ontario and the Power Authority of the State of New York, each operating under public ownership and control, eagerly embraced the chance to form a partnership on equal terms for harnessing for power the waters on the International Rapids section of the St. Lawrence, one of the most dependable rivers in the world, because its maximum flow is only twice its minimum flow. The generation of power in this section was made possible by a drop of 92 feet in the water level between Lake Ontario and the powerhouses near the town of Cornwall, which produced 47 miles of rapids and swiftly flowing water.

The work of construction was started in August 1954 and at its peak almost 12,000 men were employed on it, while the materials required for the completion of all structures included 3,200,000 cubic yards of concrete, 2,000,000 tons of sand, 3,200,000 tons of stone, 28,000 tons of structural steel, 20,200 tons of gates, hoists and cranes, 59,300 tons of reinforcing steel and 3,600,000 barrels of cement. Stretching between the Canadian shore and Barnhart Island two miles west of Cornwall the main dam and two power-houses, one Canadian and the other American, form a continuous structure 3,300 feet long, with a maximum height of 162 feet above the foundation; and inside each powerhouse are 16 generators, which are not housed in conventional structures, but are protected by removable covers.

Some 3 miles upstream from the powerhouses the Long Sault Dam, which is a concrete structure with a curved axis and spillway and is 2,250 feet long with a maximum height of 145 feet, stretches from the western end of Barnhart Island to the American shore; its function is to maintain the head of water required to operate the turbines in the powerhouses and to pass on any excessive flow. Some 25 miles westward the Iroquois Dam, a straightline structure 2,540 feet long and 67 feet high, spans the river between Point Rockway in the United States and Iroquois Point in Canada; its function is to control the outflow of water from Lake Ontario. In addition 16 miles of substantial dykes, flat across the top with sloping sides which start from the powerhouses and extend westward on both sides of the river have been constructed for the purpose of containing the headpond or area of water storage necessary for the operation of the powerhouses.

The flooding of the headpond created a large new lake, covering an area of 100 square miles, which has been christened Lake St. Lawrence; but before it could be flooded the residents on 20,000 acres on the Canadian side

and 18,000 acres on the American side had to abandon their homes and be rehoused. The area inundated on the American shore was sparsely populated and only some 225 farm families and 500 owners of summer cottages had to be displaced. But on the Canadian shore rehousing presented a more serious problem. The inhabitants of seven villages-Iroquois, Aultsville, Farren's Point, Dickinson's Landing, Wales, Moulinette and Mille Roche-had to be moved to three new communities, New Iroquois, Long Sault and Ingleside; and in the town of Morrisburg a new subdivision with a shopping centre has to be developed to accommodate one-third of its residents whose homes had been submerged. Some 225 farms have vanished beneath the waters and altogether about 6,500 persons have been removed to new homes, while it has also been necessary to relocate 40 miles of the track of the Canadian National Railways and 35 miles of No. 2 Highway between Toronto and Montreal. Special care has been taken to make the areas affected by the power project attractive to the eye and increase their allure for tourists: approaches to the powerhouses have been tastefully landscaped and are lighted at night, while ample provision has been made for parking cars and a penthouse observation lobby, which gives a fine view of the panorama of the river, has been erected.

The power project, of which the cost, estimated at some 600 million dollars, will be shared equally between the two partners in it, was officially opened on September 5, 1958; and now that all the 32 generators in the two powerhouses are in operation their output of power per hour is expected to reach a maximum of 1,880,000 kilowatts, which is being equally divided between the New York Power Authority and the Hydro-Electric Commission of Ontario. For the latter this large reinforcement has just come in time to avert a shortage of power, resulting from the rapid increase of the Province's population, which has grown 32 per cent in the past decade, and a parallel expansion of its industrial activities.

Canada, May 1959.

# AUSTRALIA AND NEW GUINEA

#### TRUSTEESHIP FOR A NEOLITHIC CULTURE

THE recent growth of anti-European sentiment and of national aspirations has greatly increased the difficulties of the metropolitan countries in the administration of their dependent territories. Australia has assumed this onerous task in Eastern New Guinea. It is a reasonable expectation that similar forces will operate in New Guinea in the not too distant future and that it will be increasingly difficult for the Australian administration to maintain harmonious relations with the indigenous population. The course of events in New Guinea therefore seems destined to have a profound influence

upon many aspects of Australian policy.

New Guinea is the largest of the world's islands after Greenland. It lies just south of the Equator upon an extension of the ancient Australian continental shelf. It stretches 1,500 miles from east to west and covers an area of 312,000 square miles. It is one of the most forbidding parts of the hot wet tropical belt. The greater part of the island is clad in dense forest and the coasts are frequently bordered by wide swamps, or else they rise almost directly to precipitous mountains. The central cordillera, with snow-capped peaks of 16,000 feet, extends along the island from end to end. It renders movement by land from north to south virtually impracticable. Lateral movement along the coastal plains is obstructed by large rivers, torrential streams and swamps. The island receives a heavy rainfall, which has an adverse effect upon the fertility of the soil. New Guinea lacks the fortunate Javanese coincidence of abundant volcanic deposits, comparatively gentle slopes and a climate that permits the establishment of areas of great fertility. In most places, the potentially fertile volcanic deposits either are inaccessible, or have been leached of the plant nutrients necessary for successful crop cultivation. The alluvial soils are extensive but they have not been properly studied and their use for large-scale agriculture presents many problems. Extensive investigations are now proceeding, but it would appear that successful utilization will depend upon the use of advanced technology. The available arable land may not exceed ten per cent of the total area; and this small agricultural potential compares with that of Borneo where wide areas are neutralized for climatic and other reasons. Nor have decades of hopeful expectation and constant search revealed much that is encouraging concerning other resources. The rain forests contain only a few accessible stands of valuable timber. No major deposits have yet been located of the more important minerals. The coal deposits are poor in quality and meagre in size, though this deficiency may be offset by the development of hydroelectric power. Gold occurs in a number of areas, but the known fields are practically exhausted. Deposits of copper and nickel are known to exist, but their commercial value has yet to be demonstrated. A prolonged and expensive search for oil has had two minor successes. One in Western New Guinea is producing a small and steadily diminishing quantity of oil. The second, in Papua, has indicated two large gasfields, but so far nothing of commercial value. The paucity of the productive soil, the poverty of the natural resources and the difficulties of communication have so far rendered the island one of

the least developed areas of the world.

The people of New Guinea are among the most backward of mankind and their culture stands in some respects behind that of the Neolithic period. New Guinea is inhabited by a greater number of peoples and races than Europe, differing from each other in stature, language, religion and way of life. They live in relatively isolated and economically self-sufficient communities, which are usually very small, and which have a tradition of intermittent conflict with their neighbours. There are 10,000 such village communities in Eastern New Guinea with 510 mutually unintelligible languages. New Guinea has been isolated from contact with the outside world for many centuries. The term "Papuan" was apparently first applied to them by the Malays of the Moluccas to describe the characteristic woolly hair of the coastal people. According to Chinese chronicles, Papuan slaves were present as early as the eighth century in the South-Sumatrian-based empire of Srivijaya. This trade continued until late in the nineteenth century through the Islamic Sultanate of Tidore. In the circumstances, it is not surprising that Malay has long been the lingua franca of the coastal people of Western New Guinea. Eastern New Guinea, however, seems to have had no external contacts other than the incidental visits of European explorers, which began with the Portuguese in the sixteenth century. The peoples of New Guinea have thus developed in their isolation a complex structure of society which is so fragile that it could easily be destroyed.

The population of New Guinea and its adjoining islands is estimated at 2½ million, of which 1¾ million live in the eastern part. The final count, when exploration is completed, may be materially greater. These people are predominantly farmers, closely related to their land by myth and by rights of tenure. They produce a considerable volume of farm crops in a system of shifting agriculture that represents, in each type of land use, the optimum that can be obtained without the aid of technology. Because of its quality, this quantum is scarcely enough for subsistence. In Eastern New Guinea, where 1·5 million out of 1·7 million inhabitants belong to farming families, it is estimated that the indigenous people sustain themselves with less than 80 per cent of their true food requirements. Disease, particularly malaria, dysentery and hookworm, has lowered their vitality and deadened their mental processes. The expectation of life at birth is about 30 years and the infant mortality remains very high indeed. Their physical condition and methods of cultivation must be materially improved if their living standards

are to rise above the present level.

The task of development is not simple, for New Guinea society does not contain suitable institutions that can easily be used as a basis of community growth. There is no hierarchical structure upon which to build. The real source of power in the village is often difficult to determine. It may temporarily reside in the most affluent inhabitant, though it now tends to gravitate

to the individual with the broadest experience. But the old order is so closely linked with the primitive farming methods that any change could precipitate social and economic conflict. This position is all the more difficult because the primitive currency varies from place to place and can easily be debased. Only those groups that have had extensive contact with Europeans may desire change and be able to effect it without serious disorder.

#### Australian Association with Eastern New Guinea

THE Australian colonies began to take an active interest in Eastern New I Guinea about a century ago, shortly after the Dutch had annexed the western portion. This interest was mainly strategic, in the sense that the colonists wished to deny the territory to a potential enemy; but it was partly economic, in the belief that the area was potentially rich in resources and in native labour. A desultory agitation was continued and culminated in the purported annexation of the whole of the eastern portion of New Guinea by the State of Queensland in 1883. This action was repudiated by the British Government, However, German activity precipitated the formal division of the eastern part of New Guinea between the United Kingdom and Germany at the end of 1884. The British Government then invited the Australian states to establish a joint control of British New Guinea. Joint control, which lasted from 1888 to 1905, set the broad pattern of subsequent development by the scrupulous protection of the interests of the indigenous people, by the progressive but leisurely extension of the areas under control, and by the subordination of commercial exploitation to these purposes. After federation, the Commonwealth Government assumed control of British New Guinea, renamed Papua. An Australian administrative service was established in 1907 and, following the report of a Royal Commission, proceeded with confident plans for European settlement in a plantation economy to cover a wide range of tropical products. These plans were frustrated by the natural difficulties and by the shortage of finance during the First World War.

At the outbreak of the First World War, the Australian military forces occupied the larger, more populous and more highly developed German territory. This territory was subsequently granted to Australia as Mandatory Power upon terms that permitted the mandate to be treated as an integral part of Australia. A new and separate administrative service was formed to govern the mandate and the two territories continued as separate entities with the bare minimum of co-ordination until the outbreak of the war with Japan. Eastern New Guinea was the scene of a bitter campaign during this war. A large part of the mandate was occupied by Japanese forces, which were ejected from the main island only after heavy fighting, in which the Australian land and air forces took a predominant part. Considerable damage was done in the course of military operations to the meagre facilities of both territories. Although this damage was partially offset by military construction, the territories lost substantially and the civil administrative services were dispersed. A military unit, the Australian New Guinea Administrative Unit, was formed in 1942 to perform the functions of government in the areas outside Japanese occupation. It continued with this task for several years until the territorial civil services were reconstituted. Civil administration was restored by the Provisional Administration Act of 1945, in which the administration of the two territories was unified. A Trusteeship Agreement for New Guinea was approved by the General Assembly of the United Nations in December 1946, and made provision, implied but not specifically stated under the mandate, for the administrative union of the two territories. This union was finally affected by the Papua-New-Guinea Act of 1949, which ended the provisional administration, restored the legislative powers that had been withheld in 1945, and created a common public service. The status of the indigenous inhabitants however, remained unchanged. The Papuans are Australian citizens whilst the natives of the Trust territory are protected persons.

The administration of Papua was, for the first 50 years of occupation, in the hands of two able and liberal-minded proconsuls, Sir William MacGregor and Sir Hubert Murray. These men were given substantially a free hand within the limitations of finance. They concentrated upon the establishment of European concepts of law and order, the preservation of native systems of land tenure, the adoption of a common language and the conversion of the Papuans from animism to the Christian faith. The exploitation of the natural resources, though not discouraged, was rendered difficult by their paucity and by the fact that the village communities were only partially controlled and could provide little surplus labour for mining or for plantations. Australian financial support was limited, so that Papua was substantially self-supporting and could only have those goods and services which it could afford to maintain out of its own resources. These were very small.\*

The Mandated Territory differed from Papua only to the extent that its resources were somewhat more extensive. The not inconsiderable coconut plantations established by the Germans had come into full production and were of material aid. The discovery of gold in the Morobe district in 1927 led directly to increased European settlement in this area. Indirectly it stimulated exploration and the gradual establishment of a network of air communications in both territories. The task of exploration was carried out by a handful of devoted patrol officers, operating under great natural difficulties and with considerable skill. Nevertheless, by the outbreak of the Second World War, the two territories had cost the Commonwealth Government little and were, by any standards, in a low state of development.

The military administration during the war was not hampered by a shortage of either funds or resources. It achieved remarkable results in certain limited fields of endeavour. Nevertheless, the task of post-war reconstruction was considerable and took longer than was expected, because of the acute post-war shortages and the difficulties encountered in reconstituting the administrative services. It is only in the last few years that economic activity has made significant gains.

The present situation in Eastern New Guinea may be very briefly described. As already stated, the indigenous population amounts to 1.75 million, the majority of whom live in 146,000 square miles of controlled area. The non-

<sup>\*</sup> These aspects of Australian administration are examined in detail in J. D. Legge, Australian Colonial Policy, 1956.

indigenous population amounts to 22,500, of whom 17,500 are Europeans, mostly members of the administration and their families. The Territorial Budget for 1957/58 amounted to f.A15.7 million, of which f.A4.9 million was raised from local revenue, the balance being the Australian grant. Australian government departments and instrumentalities expended a further £A2·3 million upon works and services not included in the Territory Budget, bringing the total Australian expenditure to £A13 million. The territorial administration costs about £A14.5 million, and approximately £A3.5 million is spent upon public works. A significant part (about one-third) of the works vote is expended upon housing, office accommodation, and other services for the Australian administration staffs. Private capital investment amounts to about f A4 million per annum, mainly in oil exploration. Capital expenditure has, however, made a material improvement in communications and social services. There are over 5,000 miles of light and heavy roads, over 4,000 schools with 171,000 pupils, 200 hospitals with a European and native staff of 5,000 persons and so on. Exports are valued at £A13 million and consist of copra, timber, gold, rubber, with small quantities of cocoa and coffee. Imports, over half of which are of Australian origin, amount to f.19 million, leaving an apparent adverse balance of f.A6 million, to be financed from Australian sources.

Unfortunately, no comprehensive estimate of gross territorial product and balance of payments has been published. Nevertheless, the figures available permit a reasonable estimate of the position. Native production comprises only a small part of cash production, and this amount is unlikely to exceed f.As per head per annum. If the annual value of native agricultural production be assessed at the notional value of f.A25 per head, total native income cannot be greater than f.A30 per head per annum. Whilst there are considerable differences in affluence between different village communities, it would seem clear that the indigenous inhabitants are among the poorest in the world. Nor is the annual cost to the Australian community what it appears to be. The invisible items in the balance of payments are not known because of the fact that resident Europeans spend considerable sums on leave in Australia. This cash expenditure certainly offsets a significant part of the apparent adverse territorial balance of f. A6 million. It seems obvious that the net cost of the territory to Australia is not great. The low average level of native income, the tardy development of the territory and the relatively small cost to the metropolitan country are not understood by the Australian public. On the other hand, the extraordinary difficulties of the area are seldom understood outside Australia, nor is credit given for the high standard of the administrative work done in the field, limited though it may be.

The Trusteeship Council has taken an increasingly hostile attitude to the Australian trusteeship. Criticism flows in part from the fact that the Council, unlike the Mandates Commission, is not a technical body. Its deliberations are highly political, and its decisions could, in some circumstances, have little relation to the merits of the case. Furthermore, there is more than a suspicion in informed quarters that the secretariat of the Trusteeship Council has ambitions to extend the detailed control of the Council in the Trust

Territories. However this may be, the impression has arisen that Australia is one of the least efficient of the Trustee powers; even though this opinion is not justified on the facts, the Australian case has not always been presented so cogently as the real territorial difficulties justify. The refusal of the Australian authorities to establish any targets of performance has placed the Australian Trusteeship in a position vulnerable to hostile criticism. The possibility of an adverse vote in the United Nations Organization cannot be excluded.

#### The Dutch New Guinea Issue

THE Dutch East India Company obtained vague territorial claims over Western New Guinea in the seventeenth century as the result of a complex and shifting series of alliances in which they secured control of the Sultanate of Tidore. The main concern of the Dutch Company was the establishment of a barrier against unwanted intrusions into the jealously guarded preserve of the spice trade. The interests of the Sultanate of Tidore in New Guinea were not defined until 1814 and then did not extend beyond the western extremity and the adjacent islands.\* In 1848, however, the Dutch government annexed the western part of New Guinea as far as 141 East degrees of longitude in the name of the Sultan of Tidore. The convenient fiction of Tidorese sovereignty was utilized to forestall external interference. The Dutch authorities took little interest in New Guinea until comparatively recent times. Their territory was governed from Java, and the most significant development during the thirties was the expenditure of £A40 million by the Netherlands New Guinea Petroleum Company in the location of a small oilfield in the Vogelkop Peninsula. The only important export is oil, valued at f.A2 million per annum, and the Dutch area is therefore less developed than Eastern New Guinea. The Dutch Government has recently increased its expenditure upon exploration and development to some f.A8 million per annum. Close contact is now being maintained on administrative problems with the Australian authorities, but the absence of a common lingua franca between the territories is a serious disadvantage. Dutch is to replace Malay in the schools and the opportunity to introduce English as a common language has apparently passed. The Dutch task of raising the economic and political standards of the native peoples seems to be both formidable and unrewarding.

During the negotiations that led to the formation of the Indonesian state, the Dutch authorities were inclined to separate New Guinea from other matters under negotiation and to leave its future status for later determination. This attitude was adopted, in the first place, as the result of a suggestion that New Guinea be preserved as a refuge for the Eurasian population of Java. Later, the Dutch attitude hardened and the matter became one of prestige which has led finally to an embittered deadlock with the Indonesian Republic. The legal merits of the dispute, however, are far from clear. The Australian attitude has been based upon the conviction that Indonesia has neither legal nor ethnic claim to the Territory and upon a belief that the

<sup>\*</sup> A full account of these transactions is contained in Robert Bone, The Dynamics of the Western New Guinea Problem, Cornell University, 1958.

position of Australia would be at a strategic disadvantage if the territory was in Indonesian hands. Australia therefore opposed the Indonesian claim for the Territory in the debates in the Ninth and Tenth Assemblies of the United Nations Organization and was instrumental, though with increasing difficulty, in mobilizing just enough support for the Dutch to avoid a two-

thirds majority in favour of Indonesia.

The Indonesian Government has made it abundantly clear that it will not accept any solution that does not confer undisputed sovereignty upon West New Guinea and that no scheme of co-partnership or trusteeship will be entertained. The Indonesian Foreign Minister, Dr. Subandrio, recently visited Australia at the invitation of the Australian Government; and in the course of his visit he made a plea, in evident sincerity, for the maintenance of close and friendly relations between Indonesia and Australia. The statement issued at the conclusion of his visit recognized the need for close and friendly contacts, but conceded that different views were held upon the future of West New Guinea. The Ministers agreed that this issue was one to be resolved by peaceful means and that force should not be used by parties concerned in the settlement of territorial differences. The Australian Government further agreed, as it was bound to do, that Australia would not oppose any settlement between the Netherlands and Indonesia arrived at by peaceful processes and in accordance with internationally accepted principles.

The Ministerial statement has provoked strong public criticism on the basis that it failed to recognize the principle of native self-determination and that it would weaken the Dutch resolve to continue the arduous task. This criticism forced a debate on the New Guinea issue shortly after the new House of Representatives assembled in February. The Government maintained that its policy was unchanged, that there had been no "sell out" on the West New Guinea issue, and that it would have no option but to recognize an agreement properly arrived at between the Dutch and the Indonesians. The critics, including the Leader of the Opposition, Dr. H. V. Evatt, averred that the statement was inconsistent with native self-determination, and with the ultimate establishment of a self-governing Melanesian federation. A suggestion was made in the course of the debate that, in due course, such a Federation be formed to include West New Guinea, the Australian territories, and the British Solomon Protectorate. However, no evidence was given at any stage to suggest that the various parties concerned were likely to be interested in such a proposal.

#### The Political Future

THE future relationship of Australia and New Guinea was debated at some length in the summer conference of the Australian Institute of Political Science in January, 1958.\* The matters at issue were the speed at which economic development should proceed in order to maintain a contented and loyal population, the nature of the political ties that would promote a free, close and permanent association with Australia, and the

<sup>\*</sup> New Guinea and Australia. Proceedings of the 24th Summer School of the Australian Institute of Political Science, edited by John Wilkes, 1958.

relation of these matters to the broad principles that should determine

Australian foreign policy.

It was recognized that the transformation of a primitive society into a modern technical form presents almost insoluble problems. The Minister for Territories, Mr. P. Hasluck, declared that the desirable technical changes could not be imposed, but only implemented in response to popular demand, and that any form of social plan was inadmissible. He predicted that the main task of the administration for the next thirty years would continue to be the maintenance of law and order. However, the critics of this view believe that so indefinite a programme is likely to satisfy neither the natural aspirations of the village communities nor the ambitions of the small but growing native élite. Moreover, as the mortality rate is now declining with better medical services, an explosive increase in the size of the indigenous population can be expected within the next decade, so that the supply of foodstuffs must be augmented. Nascent internal and external pressure may well force the early adoption of a clear economic plan. Such a plan might take one of two alternative forms. It may be directed to achieve a general increase in the income per head by way of the production of raw materials, or alternatively, to raise the social capital and technical competence of the village communities to a minimum acceptable level. Whichever plan were adopted, a substantial increase in the capital expenditure on the territory of the order of fA15 to fA20 million per annum would be unavoidable. The natural question arises whether such an outlay is justifiable. There is obviously a limit to the resources that Australia can devote to the development of New Guinea, and it is necessary that the ultimate ends should be in balance with the available means.

The ultimate goals of Australian policy in New Guinea have never been clearly formulated. The initial Australian interest arose from strategic and economic considerations, which have diminished in importance in the course of time. The question of self-government has only recently arisen as the result of the terms of Articles 73 and 76 (b) of the United Nations Charter, which require the Trustee to promote progressive development towards self-government or independence. It would therefore appear that the people of the Trusteeship must be given the right of choice between complete independence and self-government by incorporation in the Commonwealth. The Papuans, however, are already Australian citizens under the Nationality and Citizenship Act of 1948 and it is open to doubt whether the Commonwealth Parliament has power under Section 122 of the Constitution to relinquish either possession of, or authority over, Papua. If policy within Eastern New Guinea is to have coherent direction, it must relate in some reasonable manner to these complex considerations.

At the end of the Second World War the strategic denial to a potential enemy of the whole island of New Guinea was regarded as essential to Australian defence, on the ground that it constituted a favourably placed base from which hostile attack could be directed against the mainland. Subsequent developments in weapons, which have greatly extended their range and power, have outmoded this conception. Nevertheless, if the whole

of New Guinea were in hostile hands, it could become a base for irritating infiltration into Northern Australia even though its positional value as a base for conventional sea, land, and air forces had ceased to be a material factor. There is no certainty that the whole of the island will remain in friendly hands, so that the military problem is to define the minimum safeguards against possible infiltration. The retention of Papua would constitute such a useful and minimum safeguard, so that the maintenance of a free, close, and permanent association between Papua and Australia would appear to be

a sound strategic objective.

Eastern New Guinea has natural connexions in trade and commerce with Australia, which derives direct and indirect benefits from this association by virtue of its predominant position. However, the volume of trade is very small in relation to Australian total external trade and the benefits scarcely offset the net costs of administration. Indeed, some of these gains would accrue merely as the result of the natural tendencies of trade, and Australia would normally have alternative sources of supply for all the tropical products of New Guinea. Eastern New Guinea is not only unlikely to sustain a European standard of living, but its resources may even be insufficient to provide a desirable standard of native consumption. Unless future developments in Papua in oil exploration and in the harnessing of water power modify this position, there would be no economic incentive for the substantial government investment in Eastern New Guinea that circumstances now demand.

These factors suggest that, whilst there may well be strategic and economic grounds for an active policy of development in Papua, these grounds do not extend to the Trusteeship territory. Similar expenditure in this area could only be justified, as matters now stand, upon ethical and political considerations. These issues were examined at the Summer School on the assumption that the people of the whole island of New Guinea would have the right of self-determination in about twenty or thirty years time. On this assumption, there appeared to be three possible kinds of relationship between Australia and New Guinea, namely, integration into Australia as a new State; some other form of self-government in political partnership; finally, independence, either within or without the British Commonwealth. Objections were raised to the first alternative on the grounds that a new state would involve the grant of full Australian citizenship and that the costs and difficulty of raising the indigenous people of New Guinea to the Australian level within the period in question rendered such a plan impracticable. The second alternative seemed to imply a lower grade of citizenship, which was regarded as unlikely to be acceptable to the peoples of New Guinea, although the solid grounds for this opinion were not made clear. Finally, the establishment of an independent Melanesian State met the obvious objection that it would almost certainly result in the creation of a small weak and possibly hostile republic on the northern approaches to Australia. This is an alternative which is unlikely to appeal to most Australians, who have never envisaged Eastern New Guinea except as an integral part of the Commonwealth and who would certainly not agree to the use of resources, urgently needed for the development of the Continent, for such a purpose.

However, it seems unlikely that a decision upon the future status of Eastern New Guinea would be deferred for twenty to thirty years, desirable as this may seem to the Australian authorities. The trend of world opinion strongly favours the abolition of colonial tenures, and there is no present indication that the Australian authorities would be prepared to adopt an attitude to this trend similar to that of South Africa. Indeed it seems more likely that internal disorder would occur within the next decade and precipitate a change in status. Internal conflict may arise on three separate grounds: the rise of anti-European sentiment; the distress of native peoples faced with increasing numbers and inadequate food supplies; and inter-tribal hostility between the richer and poorer groups. The Australian authorities will need to decide sooner or later which of several unpalatable courses of action is to be adopted. Is the present arrangement to continue without any fundamental change in economic policy? If so, the risk would be accepted that a small native disturbance would alienate world opinion, including that of our friends. Is a substantial new investment to be made when the indications are not encouraging that such a new investment would be effective? If so, external financial aid would be necessary, for the proper development of Eastern New Guinea would require greater resources than Australia could reasonably allot to it. Is external aid to be sought in the form of a joint trusteeship? If so, current policy, which has discouraged investment by international agencies, would be reversed. Furthermore, the inclusion of Papua in a joint trusteeship would seem to be outside the constitutional powers of the Commonwealth without a referendum. Finally, is the development of Papua to continue within the domestic jurisdiction of Australia because of the constitutional position and for strategic and economic reasons? If so, the Trusteeship would be treated as a separate issue, and it would be a difficult matter to decide whether or not it should be retained. These issues have not yet been debated in public. Australia has freedom of action only in respect of a voluntary offer to relinquish the Trusteeship. This may be the simplest course in the long run, but Australian opinion is certainly not ready to consider it.

There can be little doubt that the growth of anti-European sentiment will gradually extend to the dependent territories of the Pacific. The Australian people seem fated to become isolated in an unfriendly, even hostile world. This is a situation to which they will need to accommodate themselves without unwarranted fear and with a proper confidence in their ultimate destiny. But if they view current disturbances in Africa with complacent detachment, it would be appropriate to recall the words of John Donne "and therefore never send to know for whom the bell tolls; it tolls for thee"."

Australia,

May 1959.

The two Round Table Groups in Australia desire it to be known that substantial differences exist among their members on both the facts stated and the opinions expressed in the foregoing article. Its text has been fully discussed in both groups, and carefully revised to take account of dissentient views; but it must still be read as the opinion of a part and not of the whole.—Editor.

## AFTER DULLES

### THE AMERICAN APPROACH TO THE SUMMIT

OFFICIAL Washington is concerned, these spring days, with a multiplicity of lesser affairs, including the much-debated threat of creeping inflation and the relative standings of various Senatorial aspirants for the Presidency. But the really rugged task ahead is the business of confronting a wily Nikita Khrushchev and a dynamic Soviet Union at the high-level bargaining table which seems to be shaping up inexorably for this summer.

This time, the United States will go to a crucial conference without the services of John Foster Dulles. This time, it must counter or negotiate the Soviet demands with an untried Secretary of State, Christian A. Herter, who nevertheless carries the important support of Congress and of a functioning

State Department team in his portfolio.

It has seemed, at least during the earlier spring months, that the West would arrive at the conference room with its common strategy in disarray, owing to basic disagreements between the "flexible" approach espoused by London and the "inflexible" stance preferred by Washington, Paris and Bonn. The fact that Secretary Herter's personal views on how best to deal with Moscow are largely unknown, plus the fact that Premier Khrushchev's own negotiating price is of course undisclosed, plus the West's indecision on policy, makes this a particularly bad season for gazers into crystal balls. Predictions are murky and hazardous.

Never has the post-war rôle of the United States as the power center and policy-framer of the western alliance been more sharply etched than in the weeks since Secretary Dulles, bowing out owing to grave illness, relinquished the American helm. Britain's Prime Minister Harold Macmillan might make a most useful "reconnaissance" in Moscow and France's President Charles De Gaulle might criticize Moscow in learned language, but until Washington was again coming through with firm decisions the whole Western posture

would loom as indecisive.

A network of pacts and alliances radiates out from Washington. For six strenuous years the main decisions governing these pacts and strategies have been shaped largely by one man, J. F. Dulles. Indeed he was very nearly, in the realm of world affairs, the Eisenhower Administration's "premier", even as Senator Robert A. Taft became its domestic "prime minister" in the early days of the Eisenhower era.

The President entrusted Mr. Dulles with extraordinary authority over foreign policy. The two men conferred several times daily in person or by telephone, but Mr. Dulles carried the State Department's essential philosophy around in his well-travelled hat. Before taking off on one of his frequent diplomatic safaris he would present Mr. Eisenhower with the broad outlines of his proposals for the problem in hand. Almost invariably the President would agree, and the policy thereby became official. It is true, of course, that the two men saw eye to eye on most foreign issues and confirmed

their identity of views in their frequent discussions. But Secretary Dulles was usually the initiator—and the very personal executor. Local U.S. ambassadors and indeed assistant secretaries of state were downgraded by this "personal diplomacy". But the President liked the results, though the system

hardly conformed to his chain-of-command predilections.

What historic estimate will be made of the indefatigable Foster Dulles? Surely it will be said that he fought a dogged duel with Soviet power throughout his six-year term, even as he did before that term when as a Truman envoy he assisted at the birth of the United Nations and guided the Japanese peace treaty to completion. His Calvinistic dislike for wrongdoers held Soviet leaders at arms length even as his public policies halted the Soviets—and the Red Chinese—from their design to thrust Communist power across the free-world frontiers in Europe and the Formosa Strait. By feint and counterthrust, by diplomatic journey and Washington press conference, Secretary Dulles managed to hold the pass at Berlin and to knock down one Khrushchev bid for a summit conference after another. His views were vetoed almost never by the President, the notable exception being when Mr. Eisenhower ruled against dispatching American troops to the rescue of the French in Indochina.

Mr. Dulles was operating at a particularly hazardous period of American history, when the oceans were no longer ramparts of long-range defense, and when Moscow, already possessed of the H-bomb, was moving abreast and even ahead of the United States in the development of long-range missiles. It was not so easy to fend off the Soviets when Washington no longer possessed that ready preponderance of essential military strength

which advised enemies to keep a safe distance.

Likewise this was an uncharted era, in which one mis-step along the precipice could plunge the world into nuclear war. Mr. Dulles developed his special brand of nuclear diplomacy. He ran risks and he talked of "massive retaliation". The risks, as Mr. Dulles himself said, carried the world to the "brink of war". But his personal faith in the rightness of his position, and his conviction that Moscow would back down, sustained him. Moscow never pressed beyond the "brink", and meanwhile the Secretary of State was usually tying up his opponents with political moves and delaying actions.

Somehow the summit conferences—after the initial meeting at Geneva—never came off, largely because Mr. Dulles so cleverly constricted them that Mr. Khrushchev couldn't accept. Critics of the Secretary have had to recognize that he labored tirelessly along the Western strategy line, flying from NATO to SEATO and from ally to neutral—maintaining his understanding with Chancellor Adenauer, soothing Generalissimo Chiang, dropping in on the United Nations.

## The Charge of Inflexibility

THE greatest criticism of Secretary Dulles has been launched against his inflexibility. Historians will add up whether a more generous approach, a willingness to talk at any and all levels, would have put the world further ahead by now along the path of careful negotiation and conciliation. How

much harm could there have been in frequent summit conferences in these days of fast and easy travel among the nations? How much damage was contained in the concept of moral ostracism which Secretary Dulles enunciated, as witness his veto of President Eisenhower's invitation to Marshal Zhukov to visit Washington—an invitation which might have kept a reasonable,

independent individual near the top of Moscow's Presidium?

Mr. Dulles displayed some ability to benefit by experience. His later diplomacy no longer equated neutrality with immorality. He gently eased Generalissimo Chiang out of his dream of reconquering the Chinese mainland, although the Generalissimo may still not be aware that he has been so shifted. Mr. Dulles even remarked that free elections might not be the only avenue to German unification. At the same time, he saw himself inevitably cast in the rôle of the abominable "no" man, who must reply negatively to Soviet lures and must even speak counter to President Eisenhower's occasional impulses of confidence in Soviet goodwill.

Another missing ingredient in the Dulles armory was any ability to inspire, to lift thought, to stir mankind. His complicated stances, his legalistic reasonings, his changing tactics seldom made a favorable impression on the world's consciousness or mobilized its best instincts. On the other hand, Mr. Dulles was a most agile and effective negotiator with the chessplayers

from Moscow.

Adding up the Dulles record, piece by piece, one must note first of all his early expressions of hope that the Communists could be "rolled back" and the satellite countries "liberated". Neither of these events came even close to happening, but Soviet expansion was blocked. As regards Quemoy, twice Red China prepared to invade the Quemoy-Matsu offshore islands held by Nationalist China. Each time Mr. Dulles made clear that the United States would be prepared to use nuclear weapons to defend the islands. Peking shelled the isles but never attacked them in force. As regards Indochina Mr. Dulles proposed that American troops and planes be dispatched to help the French. President Eisenhower did veto this, the war was lost and the northern half of Indochina fell to the Communists.

As regards Jordan and Lebanon, Secretary Dulles urged the dispatch of the Sixth Fleet to the Eastern Mediterranean in 1957, and aided thereby in forestalling a coup against King Hussein. In 1958 the U.S. Marines were landed in Lebanon, on Mr. Dulles's proposal, and order was gradually restored. On the other hand, the so-called "Eisenhower Doctrine", propounded by Secretary Dulles to extend American assistance to any Middle Eastern country threatened by Communist aggression, was rejected by almost the entire array of Arab nations. Mr. Dulles continually failed to come to grips with Arab nationalism.

As regards Suez, Secretary Dulles sought to assuage British and French concern at Colonel Nasser's seizure of the Suez Canal—with various palliatives which did not assuage. When Egypt was invaded both President and Secretary of State decided that the only course of American diplomacy was to employ the United Nations to end that invasion as speedily as

possible.

In sudden emergency, Secretary Dulles's off-the-cuff policies were usually effective. It was in the longer-range preparation of programs to deal with the world's surging forces and forseeable trends that Mr. Dulles was less competent.

### The Successor

NOW the helm has changed hands, and there is no blinking the fact that the Western nations—and the Russians as well—are less certain about Christian Herter. He is known as a Congressman who led a Congressional subcommittee on a fact-finding tour of early post-war Europe which helped prepare American sentiment for the Marshall Plan. He is known as an effective governor of Massachusetts. But has he the stamina of Secretary Dulles, and the determination to be "unyielding" to Soviet demands and schemes?

This much can emphatically be said. Secretary Herter has attributes and advantages which should serve him well at State. For one thing, he is thorough. He will watch the entire foreign picture, read all the essential telegrams, not merely those in the field of current crisis. It is not likely that trouble will brew in the Middle East unattended by Secretary Herter because he is giving major attention to Berlin.

Again, as has been frequently stated—and attested by himself—he is a team player. He has been developing, in his two years at the State Department, an exceedingly competent staff. From here on, key ambassadors abroad will have larger prestige and more responsibility. From here on some of the negotiating will be waged by senior members of the department: Douglas Dillon in economic affairs, Robert Murphy in political matters, for instance. If Secretary Herter is not the brilliant solo impresario, he nevertheless will operate in orchestration with other competent players, including a policy-planning staff and the able U.S. Ambassadors to London, Paris and Bonn.

Ex-Representative Herter's good relations with Congress have frequently been mentioned. He is a close friend of Senator J. William Fulbright, chairman of the influential Senate Foreign Relations Committee, who respects him and who moved quickly to activate his Senate confirmation. A close understanding between two individuals possessed of vast common sense, genuineness and integrity can produce effective results.

There is another important Herter characteristic. He is thoroughly a gentleman in the best sense of the word. He is not truly one of the Boston "bluebloods"—his German-born grandfather was an architect who grew wealthy designing Fifth Avenue mansions for American millionaires. But Paris-born Christian Archibald Herter has, during his years in Massachusetts politics and literature, adopted in sufficient degree that code of rectitude and honorable dealing which distinguished the Boston Brahmins. He is a man of moderation, warmth and kindness. The quality of graciousness can go a long way in building confidence and respect for American diplomacy.

Mr. Herter is a pragmatist where Secretary Dulles was a man of oftentimes unbending theories. He agrees that Communism is dangerous, but like the British admits that it is an ideology having the present allegiance of many people in many lands; ergo, one must seek ways and means of living with it.

He is less ready than some Americans to see diplomacy as a simple struggle between good and evil, black and white.

### The President in Foreign Policy

It seems almost inevitable that President Eisenhower will want to be more his own manager of foreign policy from here on; certainly he will want to persevere in this rôle until the Herter régime is fully established in world eyes. The initial word around the White House has been that Mr. Eisenhower is rising to the challenge created by the Dulles departure, that he is digging more deeply into foreign problems, making more decisions that are distinctly his own.

President Eisenhower was exceedingly chary of praise for his new Secretary of State before the swearing-in ceremonies. This has been attributed by White House spokesmen to his own personal sense of grief and loss at the departure of Secretary Dulles, and to the fact that he was awaiting a physical check on Mr. Herter, who suffers from arthritis. The examination showed no reason why Mr. Herter should not be Secretary of State. Whatever the reason for the initial cool welcome, this plus the decision to send Vice-President Richard Nixon to Moscow this July to open the American Exhibition in Sokolniki Park, plus the apparent intention to have the Vice-President accompany Mr. Eisenhower to the Summit Conference and stand in for him if he should leave early—these developments led to Washington speculation that the President might not entrust foreign affairs wholly to Mr. Herter, but that he would install some kind of White House "special assistant on foreign policy". Such a course would undercut Mr. Herter's authority.

Weighing against any such prospect is the close personal friendship between Messrs. Nixon and Herter, the President's personal preference for an orderly chain of command, and Secretary Dulles's own sickroom advice to Secretary Herter—which also reached the President's ears. Mr. Dulles urged his successor not to allow any sort of "interloper" to dilute the authority of the Secretary of State—and he promised to be no interloper himself.

It is quite possible that after a few months of "shakedown cruise", the President will find himself able to move into a position of trust and intimate confidence with Mr. Herter, even as he shifted over successfully to Treasury Secretary Robert B. Anderson when his trusted confidence, Treasury Secre-

tary George Humphrey, Jr, resigned.

How will foreign policy be changed, under Secretary Herter? There is speculation whether he will work as assiduously as did Secretary Dulles to line up supporters at the United Nations against the entry of Communist China. It has been felt that the "uncast American veto" against Peking's admission was good for only one more year, anyway, in its influence on friends and allies. On the other hand, Peking's behavior toward Tibet may have indefinitely postponed its prospects of entering the United Nations.

A more likely prospect is that of increased and bolder contacts and talks with the Soviet Union. Both Vice-President Nixon and Senator Fulbright—the close friends—favor somewhat increased contacts, on the simple ground

that "something eventually may come of them". The Arkansas Senator said recently that it is important to "get into the habit of consulting and meeting with these people, whom we must do business with whether we like it or not." Vice-President Nixon has never opposed a Khrushchev visit to the United States. It is quite possible that this trio will seek to develop a habit of more frequent exploratory contacts with Moscow than Secretary Dulles would ever have envisioned. That is, providing Mr. Khrushchev does not wreck all chances with his behavior—and providing President Eisenhower approves this course.

But on the immediate issues of Berlin and Germany, the Herter policy is not likely to vary perceptibly from the Dulles program. In the American view, Mr. Khrushchev is seeking mainly to stabilize Russia's Eastern European empire. To do this, he must have less Western political influence and military pressure along the Iron Curtain—which means, mainly, a reduction

of the West's Berlin salient.

What shall the West reply? No Western major capital wishes to see West Berlin surrendered. But Britain has argued for a flexible approach, a willingness to negotiate a new international status for West Berlin, an exploration of an armaments limitation in Central Europe, and tacit acceptance of the division of Germany. Washington, as well as Paris and Bonn, has feared that any expression of willingness to renegotiate the status of West Berlin would give Moscow an entering wedge to undermine Berlin, West German security arrangements and the whole continental defense system. Somehow, this contest between flexibility and inflexibility must be ironed out.

American opinion outside the State Department corridors remains remarkably quiet, considering the momentousness of the issue. Everyone favors "no yielding on Berlin", to be sure, and there is a general belief that Mr.

Khrushchev will not really force the issue.

Is there any solution or compromise which will relieve Moscow of its apprehensions concerning reviving German power, and yet preserve the essential freedoms in Berlin and West Germany? George Kennan, the Soviet expert, in a Chicago speech recently suggested that one individual be appointed to speak for the West and offer something of real value from the standpoint of Soviet interests "and with sufficient latitude to discuss a wide range of possible combinations". Someone of this caliber, he says, would have to negotiate privately, confidentially, for a long period with someone of equal qualifications on the Soviet side. Then, East and West might reach agreement. But no-one expects any such idyllic negotiation.

Even so, both East and West have final bargaining positions which have not yet been stated and will not be stated until the propitious moment arrives around the conference table. At this juncture it is not necessarily a disaster that Washington is sending in a new negotiating chief, strongly supported by Congress, fresh for the fray and not so personally bound by the mortmain

of past policy as Secretary Dulles might have been.

United States of America, May 1959.

# THE SETTLEMENT IN CYPRUS

### A COMPLEX AND RIGID CONSTITUTION

THE Emperor Napoleon once declared (and Sir Winston Churchill has supported him) that "a constitution should be short and obscure". The Constitution of the Republic of Cyprus looks likely to fail this test on both counts. It is true that none of the documents yet published is formally either a constitution or a draft of a constitution; but if those who have to complete the draft in the course of the next few months proceed conscientiously on the lines laid down for them, then the new Constitution bids fair to be long, minutely detailed, precise, complicated and rigid to an unusual degree. It is almost as if there were some law of inverse proportion between the number of articles required in a constitution and the number of people to be governed under it. Such at any rate is the augury of the White Paper published at the end of the London conference in February.\*

The contents of the White Paper are as follows:

- I. Memorandum setting out the agreed foundation for the final settlement of the problem of Cyprus.
- II. English translation of the documents agreed at Zürich on February 11, 1959, by the Prime Ministers of Greece and Turkey:
  - (a) Basic structure of the Republic of Cyprus.
  - (b) Treaty of Guarantee between the Republic of Cyprus and Greece, the United Kingdom and Turkey.
  - (c) Treaty of Alliance between the Republic of Cyprus, Greece and Turkey.
- III. Declaration made by the Government of the United Kingdom on February 17, 1959.
- IV. Additional Article to be inserted in the Treaty of Guarantee.
- V. Declaration made by the Greek and Turkish Foreign Ministers on February 17, 1959.
- VI. Declaration made by the Representative of the Greek-Cypriot community on February 19, 1959.
- VII. Declaration made by the Representative of the Turkish-Cypriot community on February 19, 1959.
- VIII. Agreed measures to prepare for the new arrangements in Cyprus.

The substance of the settlement is contained in the three documents comprised under the second heading (II (a), (b), (c)); the declaration under the third heading (III); and the interim provisions under the eighth heading (VIII). These all call for careful consideration; but so far as the citizens of Cyprus are concerned, the vital document is II (a), entitled "Basic Structure of the Republic of Cyprus".

It appears that the whole of this document is to be embodied in the forth-

<sup>\*</sup> Conference on Cyprus: Documents signed and initialled at Lancaster House on Feb. 19, 1959 (H.M.S.O. Cmnd. 679).

coming Constitution, whatever else the Constitution may contain besides. But it also appears that the Basic Structure is open to at least verbal amendment, though the substance of it is to be punctiliously preserved. Finally, it appears, though this is not absolutely explicit, that none of the articles of the Basic Structure can ever be removed from the Constitution: at least that is evidently the intention. Thus, the last of the twenty-seven articles of the Basic Structure declares: "All the above Points shall be considered to be basic articles of the Constitution of Cyprus." The final document provides (VIII, 2 (a)) for the "immediate establishment of a Joint Commission in Cyprus with the duty of completing a draft constitution for the independent Republic of Cyprus, incorporating the basic structure agreed at the Zürich Conference", and goes on to require that the Commission "shall in its work have regard to and shall scrupulously observe the points contained in the documents of the Zürich Conference and shall fulfil its task in accordance with the principles there laid down". And the Basic Structure itself provides (II (a), article 7) for the method by which "the Constitutional Law, with the exception of its basic articles, may be modified". Since there is no subsequent provision for the modification of the basic articles which are thus excepted, the presumption is that they are intended to become permanently unalterable.

Thus we already have before us at least twenty-seven articles which are to be, in substance at least, permanent components of the Constitution. For so fundamental a document, they vary widely in importance. On the one hand are the two crucial articles which most directly affect Greece, Turkey and Great Britain. One of these precludes any change of status in the direction of either union with Greece or partition (article 22); the other entrenches the Treaty of Guarantee and the Treaty of military alliance with Greece and Turkey in the Constitution (article 21). The Treaty of Guarantee, signed on behalf of the Republic of Cyprus, the United Kingdom, Greece and Turkey (II (b)) is itself to embody an Additional Article accepting a Declaration by the United Kingdom Government (III and IV) which defines the British military requirements (in particular, the two base areas) on the island. It appears that if the drafters of the Constitution carry out their task exactly as prescribed, none of these arrangements can ever be altered, even if all the parties to the agreement wish to alter them. For the treaties are to have "constitutional force", and the article referring to them is to be "inserted in the Constitution as a basic article". It would appear that if these treaties ever require modification (or if any other articles do so), then it will be necessary to devise some way of altering the basic articles of the Constitution, for which at present no means exists. Once it is devised, other articles also may prove to be less deeply entrenched than is intended.

On the other hand, two of the basic articles make express provision for their own revision. One is article 20, providing for the creation of separate municipalities (Turkish as well as Greek) in the five largest towns. In this case the arrangement is to be re-examined by the President and Vice-President "within four years", to determine whether or not it shall continue. The other is article 25, which provides for a Turk to hold at least one of three specified Ministries, but allows the President and Vice-President to agree to "replace

this system by a system of rotation". As there is no other article providing for such revision, these may be regarded as exceptions which prove the rule that otherwise the basic articles are to be unalterable. This makes it all the more interesting that there should be hypothetical basic articles providing for situations which may never arise: for instance, article 19, which lays down that "in the event of agricultural reform, lands shall be redistributed only to persons who are members of the same community as the expropriated owners"—a provision which no doubt recalls echoes of the unhappy experience of co-existence between Turks and Greeks in the Ottoman Empire.

### The Balance of Interests

S UCH instances illustrate the degree of detail into which it has been deemed necessary for the Constitution to plunge, and also at the same time show by implication the reason for it. The intention is partly to assure a balance between the two communities in the management of the island's responsibilities and partly to prevent a future change in the status of the island. The latter need is met principally by article 22, which reads:

It shall be recognized that the total or partial union of Cyprus with any other State, or a separatist independence for Cyprus (i.e., the partition of Cyprus into two independent States), shall be excluded.

Considering that this article is intended to dispose of the principal bone of contention which has been the subject of the last five years' battle, it is slightly surprising to find that it is in no way signalized as of exceptional importance: it is not even *primus inter pares*, but just one among twenty-six others. It is neither more nor less difficult to alter than any of the rest, because all of them are theoretically unalterable in any circumstances.

The need for a balance between the two communities is met either by laying down certain proportions, which vary, between Greeks and Turks in the composition of the organs of administration, or by stipulating that certain posts shall be allotted on defined principles. The principal functions, offices and posts treated in one or other of these ways are:

The Executive (President, Vice-President and Council of Ministers)—article 5.

The Legislature (House of Representatives)—article 6.

The Supreme Constitutional Court—articles 6-7.

Communal Chambers for each community—article 10.

Civil Service—article 11.

Armed Forces—articles 13-15.

Gendarmerie-article 14.

Police-article 14.

High Court of Justice—article 16.

Various specified posts (Attorney General, Inspector General, &c.)—article 12.

In practically all these domains the Constitution will provide the Turks with rather more than their fair share of representation; and communities other than Greeks and Turks (which number about 2 per cent of the population)

have no special provision made for them at all. The Turkish Cypriots number about 18 per cent of the population, but their proportion of responsibility varies from 30:70 through 40:60 to as much as 50:50 in different contexts. Thus, the presidency is virtually shared, since the President and Vice-President have equal prerogatives; but the President is always to be a Greek, and will presumably always have more work to do simply because the Greek community, over which his prerogatives mainly extend, is the larger of the two. For certain other posts (for instance, the Attorney General) it is provided that the incumbent and his deputy may not be of the same community. In the case of the three uniformed services (Army, Gendarmerie and Police), it is additionally provided that one of the three heads must be a Turk. In the Constitutional Court (which is to resolve "conflicts of authority"), Greek and Turkish representation is to be equal, with one member each and one neutral as president. Only in the High Court of Justice will the Greeks have better than a fair proportion, with two Greek judges to one Turk and one

neutral as president (having two votes).

In all the other positions and offices the Turkish representation is less than equal but better than proportional to the Greeks, measured in terms of comparative population. In the Council of Ministers the Turks are to have three seats against seven Greeks, and one of the three is to be Minister of either Foreign Affairs or Defence or Finance (though this provision may be revised if the President and Vice-President so agree). In the House of Representatives, whose size remains to be fixed "by mutual agreement between the communities", the proportion is again to be 30:70, with the important proviso: "this proportion being fixed independently of statistical data", which implies that it can never be varied. The same proportion of 30:70 is to prevail in the Civil Service and the security forces (Gendarmerie and Police). In the latter case the proportion may, "for an initial period", even be as much as 40:60, to make allowance for the fact that the Greeks have boycotted these services during recent years; but it is probable that even this relaxation of the principle will not be sufficient to take care of the initial discrepancy between the numbers of the two communities in the security forces. The same proportion of 40:60 is applied to the Army, which is limited to 2,000 men. Turkish and Greek troops are also to be stationed in Cyprus under the terms of the Treaty of Alliance between Cyprus, Greece and Turkey (document II (c)) which is covered by one of the basic articles (21); and in this case the proportion of 650:950 men is even more favourable to the Turks. The principle of equally divided responsibility again applies to the Communal Chambers, which are to have considerable jurisdiction over matters affecting a single community only; but in this case each community is to decide for itself how large the Chamber shall be. In areas where one of the communities is "in a majority approaching 100 per cent", all members of the civil, armed and security services will belong to that community. Will it Work?

HOW is all this elaborate mechanism going to work? In theory the answers are provided in some detail by the basic articles. The Ministers

(who "may be chosen from outside the House of Representatives", and are to be designated by the President or Vice-President according to their community, but appointed by both jointly) will take decisions by an absolute majority. This seems to mean that, however many of the ten Ministers may be present, at least six must vote affirmatively; for the phrase "an absolute majority" is in contrast with the phrase used in the case of the House of Representatives, "a simple majority of the members present". There are also different voting requirements in the House of Representatives in the case of particular classes of legislation. For instance, under article 7, modification of the Constitutional Law (with the exception of its basic articles, which are presumed above to be unalterable) will require "a majority comprising two-thirds of the Greek members and two-thirds of the Turkish members of the House of Representatives". In the immediately following clause, it is specified that

Any modification of the electoral law and the adoption of any law relating to the municipalities and of any law imposing duties or taxes shall require a simple majority of the Greek and Turkish members of the House of Representatives taking part in the vote and considered separately.

Thus there are a number of subtle differentiations of voting requirements, which are evidently deliberate. There is a differentiation between a majority of those present and a majority of the whole body concerned irrespective of absentees; and there is a differentiation between an inter-communal majority and separate majorities of each of the two communities. Although it may be thought probable that in practice controversial votes will usually follow communal lines, it is worth remembering that the budget crisis of 1931, which led to riots and the suspension of the Constitution, was brought about by a vote in the Legislative Council in which one of the Turkish representatives voted with the Greek representatives in the majority that rejected the budget. There can be no guarantee that these complicated safe-

guards will work in practice.

The House of Representatives is to pass laws (except in matters "expressly reserved to the Communal Chambers") and also to make decisions; but decisions are also to be made by the Council of Ministers, and there is no definition of the distinction between them. Both laws and the decisions of both bodies are subject to the right of the President and Vice-President to "return them for re-consideration". If the body concerned will not modify them, the rights of the President and Vice-President thereafter vary. In some cases they have a final veto, "separately and conjointly", for instance in matters of defence and foreign affairs, subject to certain exceptions. In other cases they can refer to the Constitutional Court, for instance over the budget and over legislation which they regard as discriminatory against either of the two communities. In cases not covered by express provisions, the President and Vice-President have no alternative but to promulgate the laws or decisions after a specified time-limit. The regulations governing the Communal Chambers do not involve the President or Vice-President at all; nor do those governing the administration of justice, except that each holds the prerogative of mercy to persons from their respective communities who are condemned to death. This last prerogative is held jointly by them in the case of Cypriots not belonging to either the Greek or the Turkish community; and this is the only point in the basic articles at which such minorities are mentioned, though it is arguable under the terms of article 10 that they could themselves establish Communal Chambers if they wished.

Evidently in practice the working of this mechanism will depend greatly on co-operation and goodwill between the two principal communities, and especially between the President and Vice-President. Here lies the familiar dilemma of such elaborate contracts: they will only work given goodwill, and given goodwill they are unnecessary. They are in fact only necessary when they will not work. What are the prospects that such goodwill may emerge? So far as the President and Vice-President are concerned, it is impossible to forget the past relations between the two men who signed the agreements on behalf of the two communities: Archbishop Makarios and Dr. Kutchuk. They will not necessarily be the first two holders of the two offices: they may not wish to hold offices which are limited by article 4 to five years with no apparent provision for re-election, since neither of them is an old man. But whether they or anyone else holds office, it will not be easy instantaneously or even gradually to obliterate the past between them. This is not a past which consists simply of the last five years: it goes back at least to 1571. And the same will be true throughout the hierarchy of administration and power. Nor is either community likely to forget the precedents of other islands in which an attempt was made in the past to share sovereignty, such as Samos in the nineteenth century and Crete in the early twentieth. In these and other cases (such as the Ionian Islands) where constitutional arrangements were devised to preclude union with Greece, the islands in question are now under Greek sovereignty.

### Relation to the Commonwealth

It hardly needs adding that there are a number of immediate and practical problems which do not depend on the operation of the Constitution. What will be the island's relation to the Commonwealth? It may decide to seek membership, but it does not follow that it will be accepted. The independent countries of the Commonwealth have shown little willingness to help share Britain's colonial responsibilities, nor have British governments shown much inclination to test their willingness in particular cases before they have become too hot to handle. Will the Commonwealth Prime Ministers be willing to become involved in the affairs of Cyprus, as they may in future have to do if the island stays in the Commonwealth? And how will they regard the attendance of Archbishop Makarios at their conferences, if such a contingency should arise? And will the Cyprus settlement be regarded as a precedent for other colonies of the kind referred to in the memorable phrase of Mr. Hopkinson (now Lord Colyton) in July 1954: that "there are certain Commonwealth territories which, owing to their particular circumstances, can never expect to be fully independent"? The British Govern-

ment's answer might be that Cyprus is sui generis; but that might not be the

answer of Mauritius or Malta or Singapore.

Connected with the question of membership of the Commonwealth is the question of the economic future of Cyprus. If the island were to leave the Commonwealth, it could still remain in the Sterling Area but would cease to enjoy the benefits of Commonwealth Preference. What would the island live on? The main source of wealth is agriculture, whose potentialities are limited. Apart from agricultural exports, the island's balance of payments rests partly on minerals such as copper, which is likely to be exhausted within twenty years at most; partly on the expenditure of British troops, who are now to be reduced by about 75 per cent; partly upon the tourist industry and foreign investment, both of which have been scared away by recent events and will take time to be coaxed back. The economic future is certainly the most difficult of the long-term problems now facing the island, but it seems to have received very little consideration in the discussions lead-

ing up to the settlement.

Whether or not Cyprus remains a member of the Commonwealth, there also arises the question of the island's relation to the rest of the international community. What will be its position in relation to international organizations, such as the United Nations, or alliances to which Greece and Turkey are parties, such as NATO and the Balkan Pact? By implication, membership of NATO seems to be excluded; and Cyprus is not and never has been within the North Atlantic Area as defined by article 6 of the North Atlantic Treaty. But with a British base and troops and a tripartite Greek-Turkish-Cypriot Headquarters established on the island, it is a certainty that Cyprus would be involved in any war involving NATO. What would happen if Cyprus applied to join NATO? It would not even be territorially or numerically the smallest separate member-state, having more than double the area of Luxembourg, and more than three times the population of Iceland. It is worth noting, too, though the significance of it is not at once obvious, that by article 8 of the Basic Structure one of the few subjects on which the President and Vice-President are to have no right of veto is "the participation of the Republic of Cyprus in international organizations and pacts of alliance in which Greece and Turkey both participate". This carefully drawn phraseology covers both the U.N. and NATO.

The possibility of answering some of these questions in the interim before the Constitution must come into effect (which will be not later than February 19, 1960) has not been overlooked. Document VIII provides for three bodies to function in that interim. First, a Joint Commission is to complete a draft of the Constitution. This consists of a Greek Cypriot, a Turkish Cypriot, a representative each of the Greek and Turkish governments and a legal adviser nominated by each of the two Foreign Ministers. Secondly, a Transitional Committee in Cyprus is to plan the adaptation and reorganization of the governmental machinery. This committee consists of the Governor of Cyprus and the "leading representative" of each of the two communities, together with other Greek and Turkish Cypriots nominated by the Governor after consultation with the "leading representatives". Thirdly, there is a

Joint Committee in London to prepare the final treaties. This consists of a representative of each of the three governments concerned and a representative of each of the two communities in Cyprus. It is to be hoped that these three bodies will succeed in introducing more flexibility into the plans so far published. It needs no emphasizing that they will have their work cut out to get through their respective agenda without conflict.

## Is there Goodwill?

T would be easy to fill many more paragraphs with the list of unresolved conundrums. But the fundamental question, which is whether the settlement will work, depends in the last resort on the answer to the question whether the participants want it to work. What led them to sign it in the first place, after years of refusal to contemplate any compromise at all? Chiefly, no doubt, a weariness of the bitter struggle; and that weariness will wear off. When that has happened, will Greeks and Turks and British still be equally wedded to the principles of the settlement? The Turks are a conservative race, who have always disliked the idea of change, particularly change in Cyprus. They were content with the Treaty of Lausanne and argued (quite wrongly as a matter of law) that Britain could not give up sovereignty over Cyprus without infringing the Treaty. As a matter of fact, the Treaty which the Turks professed to regard as so sacrosanct had already been revised once (by the Montreux Convention of 1936) and that at the Turks' own request; and the Treaty in fact gave Britain an unqualified right to dispose of Cyprus as she pleased, which is precisely the right she is now exercising. But this experience is likely, if anything, to harden the Turks' instinctive attachment to the status quo, even if it is a new status, and no further change in Cyprus is likely to be initiated from the Turkish side.

The British position is less certain. The new settlement confirms that the British Chiefs of Staff still regard it as necessary to hold "a base in Cyprus", even if they have long since retreated under pressure from their original contention that it was necessary to retain "Cyprus as a base" under full British sovereignty. Will they remain permanently convinced that the limited and restricted base facilities provided by the settlement (documents III to VII inclusive, covered by basic article 21 and document II (b)) are both satisfactory and necessary? If they are not satisfactory, and since they cannot be very much extended, may not some future British government eventually decide to cut their losses and get out altogether, especially as technical progress and continued political change alter the strategic pattern of the Middle East? One cannot be sure, but it is worth recalling that in the comparable case of the Ionian Islands a century ago, Mr. Gladstone as Chancellor of the Exchequer declared in May 1861 that "it would be nothing less than a crime against the safety of Europe" to consider ceding them to Greece, exactly eighteen months before the same government, in which Mr. Gladstone was still Chancellor of the Exchequer, decided to do exactly that. Such is the expectation of life of strategic considerations. There was a time (even as recently as the last Labour Government, according to Lord Attlee) when the Chiefs of Staff agreed that Cyprus would not make a satisfactory base; and

such a time may come again.

But since the British base facilities are to be entrenched in the Treaty of Guarantee and the Treaty of Guarantee is to be entrenched in the Constitution, it appears that it is theoretically impossible for the British ever to give up their base in Cyprus, however much they may want to do so, without a constitutional revision which could well precipitate a radical upheaval and open the way to other revisions as well. It is therefore possible to conceive a situation in which the British would feel compelled to retain their small foothold in Cyprus, even if they did not want or need it for any larger purposes of their own, merely to maintain the integrity of the present settlement. It would then become true, as was sometimes disingenuously argued in the past, that the British were obliged to stay in Cyprus only because the Greeks and the Turks could not get on with each other. This would not be a satisfactory situation, but it might be an unavoidable consequence of the complexity and rigidity of the Constitution. It is still not too late to introduce more flexibility into its basic articles in order to avert such consequences, but it might prove politically impossible to do so while the general reconciliation is so fresh and bitter suspicions are so recent.

### Attitude of the Greeks

UCH more likely to provoke anxiety, however, is the assessment of the M future attitude of the Greeks. What caused their change of heart at the end of 1958? Why did Mr. Karamanlis sign an agreement which seemed so improbable only a few months earlier? What of the adherents of Eoka, and the Greek and Cypriot Communists? What of Archbishop Makarios, who appears to have signed away everything he stood for? What of the Cypriots themselves, who never desired or dreamed of independence until it was thrust on them? Can it really be believed that, in their heart of hearts, all these enthusiasts underwent a transformation overnight? And if not, what is really at the back of their minds? It is possible that the answer is nothing sinister at all. But even without suggesting that there is any conscious policy of dissimulation, it is also possible to divine a line of thought which could have occurred to them, or might occur to their successors. Certainly at any rate it must not be forgotten that Makarios will not be the last Ethnarch of Cyprus with a conviction, common to all Ethnarchs (for the word, after all, means "national leader"), that he has a national and political mission.

The line of thought would be that, whereas the course pursued by the Greeks up to the autumn of 1958 was making énosis increasingly unattainable and was well on the way towards rendering it for ever impossible by culminating in partition, the course to which they have now retreated has made the ultimate goal slightly less than impossible of attainment. For partition would have been, physically and humanly speaking, irrevocable; but the present settlement is not, physically and humanly speaking, irrevocable. It will be made politically and constitutionally very difficult indeed ever to alter the present settlement, but precedents elsewhere in the world (for instance, in South Africa) have shown that it is not beyond the wit of human beings

eventually to get round such difficulties. The Greeks have thus exchanged a virtual certainty of the worst possible prospect for a very distant possibility of something nearer to what they have always wanted, and will no doubt continue to want. They have drawn back at the last possible minute from the road that was leading them to certain disaster, and recovered the main road from which they so rashly deviated five years ago; though they are very much farther back on it than they were when they left it, or than they would have been if they had returned to it after, say, six months of violence instead of four years.

What then is the conclusion to be reached? What are the probabilities that the settlement will last? Who is most likely to try to upset it? In ascending order of likelihood (or, more optimistically, in descending order of unlikelihood), first come the British, who have no incentive at all to upset the settlement. By the end of 1958 it was impossible to conceive any settlement agreeable to both Turks and Greeks that would not satisfy the British; and that is exactly the basis on which the British Government awaited and encouraged the agreement reached by the Greek and Turkish Governments at Zürich. Next come the Turks, who have never wanted anything but an arrangement which could be expected to endure and which excluded énosis; and this to all appearances they have got. Next come the Cypriots themselves. It would be idle to pretend that their "independence" is complete and real; but as practically no one on the island ever asked for independence at all, the fiction is unlikely to displease them unless it becomes unworkable. This leads to consideration of the Greeks, who cannot be expected to be permanently satisfied by the present settlement even though they have accepted it as the lesser evil for the present. No doubt everything possible will be done by the western allies, particularly the U.S.A., and the Commonwealth to appease Greek dissatisfaction as it becomes articulate again; but equally everything possible will be done by Communist interests to stir it up. On balance, it cannot be foreseen that the last has been heard of the Cyprus problem, perhaps not even for our own lifetimes. But to go beyond that conclusion would be to look too deeply into the crystal ball.

# GREAT BRITAIN AND IRAQ: 1914-58

BACKGROUND OF THE ÉMEUTE AT MOSUL

THE Iraq of today corresponds almost exactly with what were in 1914 the three remote and backward vilayets of the Ottoman Empire named after the cities of Basra, Baghdad and Mosul. The great majority of the population (about 6,500,000 souls according to the census of 1957) are Muslim Arabs. The Kurds form an important minority of about one-fifth of the whole. As between the two great divisions of Islam most of the Kurds are Sunnis, but among the Arabs there is a preponderance of Shi'is, who can thus probably claim a majority in the country as a whole. In 1914, for historical reasons, political influence was concentrated almost entirely in the hands of the Sunnis, but by 1958 the balance had been largely redressed. The Christian and Jewish minorities, numbering about 150,000 and 10,000 respectively, are politically unimportant.

The beginnings of British interests in Iraq can be traced back to the days of the merchant adventurers of the Muscovy and Levant Companies in the sixteenth century. A fresh impetus was given to British commercial activity by the grant in the year 1600 to the Honourable East India Company of a monopoly of direct trade with the Orient, and by the consequent development of a new line of approach up the Persian Gulf. A permanent "factory" was opened at Basra in about 1725 and in 1798 an Englishman was appointed, with the title of "Resident", to represent the Company at Baghdad. A succession of able incumbents, aided by the truly oriental state which, being based on India, they were able to maintain, won for the Residency great prestige and influence.

The story, until the end of the eighteenth century, is very largely that of commercial rivalry with, in turn, the Portuguese, the Dutch and the French, a rivalry which often took the form of war at sea even when the home governments were nominally at peace. Thereafter, first the ambitions of Napoleon, then the expansion of Russia at the expense of Turkey and Persia, and in the last decade before 1914 the Drang nach Osten of Germany, added political to commercial preoccupations. The primarily commercial Residency of the Company developed into the "Political Residency in Turkish Arabia", and Great Britain's policy in this region came to be largely based on considerations affecting the defence of India and her eastern communications. To show how sensitive the Government was to any encroachment on the special position that had been built up in the Persian Gulf it is sufficient to recall Lord Lansdowne's famous pronouncement in 1903 that the establishment of a naval base or a fortified post on its shores by any other Power would be "resisted with all the means at our disposal".

## Break-up of the Ottoman Empire

IT is not surprising, then, that in the autumn of 1914, when it became obvious that Turkey was about to enter the war on the side of Germany, it

should have been the Government of India that took the initiative in advocating action to secure the position at the head of the Persian Gulf and persuaded a reluctant Cabinet in London to agree to divert a division of the Indian Army intended for East Africa to Basra with the style of "Indian Expeditionary Force 'D'". By the end of the war the area of occupation had been extended to the whole of the Basra and Baghdad vilayets and part of Mosul.

Until 1914, although the old tradition of Anglo-Turkish friendship had already been gravely undermined, British policy was still, in general, to work against anything that might lead to the break-up of Turkey. The objectives of the expedition were at first purely military and defensive. There was no long-standing scheme for acquiring territory or detaching from Turkey an area large enough to make a viable state; and both the Vicerov and his lieutenants on the spot remained throughout extremely cautious about any kind of long-term international commitment for a still obscure future. But a first step in the conciliation of Arab opinion was the substitution of Arabic for Turkish as the language of the administration and the courts. Iraq, however, was only one of several theatres of war with Turkey. British representatives based on Cairo had not been slow to establish contact with other Arabs accessible from the Mediterranean or the Red Sea, notably the Sharif Husain of Mecca; these Arabs were on the whole more sophisticated than their brothers in Iraq and had been more affected by the stirrings of nationalism in its modern forms.

From the various negotiations relating to the Middle East set on foot in the early days of the war there emerged three principal and mutually incompatible arrangements which have bedevilled British relations with the Arabs ever since: (1) the McMahon correspondence with the Sharif Husain (July 1915 to January 1916); (2) the secret Sykes-Picot Agreement (May 1916); and (3) the Balfour Declaration regarding a national home in Palestine for the Jews (which was not promulgated until November 1917 but was the result of conversations which had been going on since 1915). The second of these was in fact still-born, but it has remained a useful propaganda point for

critics of western policy.

The war with Turkey had roused the aspirations of all the subject races. The resulting nationalistic movements were matched by a growing idealism (of which the Balfour Declaration had already been a manifestation) among the Allied and Associated Powers. It now found expression: in point 12 of President Woodrow Wilson's fourteen-point "Programme of the World's Peace" (January 1918) stipulating that the non-Turkish nationalities of the Ottoman Empire should be "assured of an absolute, unmolested opportunity of autonomous development"; in the Covenant of the League of Nations, which contemplated (Art. 22) their provisional recognition as independent nations, subject to the rendering of administrative advice and assistance by a Mandatary until such time as they could stand alone; and in the Treaty of Sèvres (August 1920), which provided for the recognition or creation, not only of the Arab states of Hijaz, Syria and Iraq, but also of an Armenia and a Kurdistan. Owing to the military revival of Turkey under

Mustafa Kamal the Treaty of Sèvres was never ratified, and the Treaty of Lausanne which replaced it (July 1923), while confirming the provision for

the Arab states, said nothing about the other two.

On the Arab side the Amirs, later Kings, Faisal and Abdullah with Generals Ja'far al-Askari and Nuri as-Sa'id emerged the unquestioned leaders and champions of the great wave of nationalism which, through its co-operation with the western allies, eventually led to the foundation of the new independent states of Iraq, Syria and Jordan. Within a few weeks of the end of the war with Turkey the position, in brief, was that British troops were in occupation of Palestine and the whole of Iraq, the French were in control of Lebanon, and Faisal, with T. E. Lawrence at his side, was already at the head of an autonomous administration in Syria.

Progress with the conclusion of a definitive treaty of peace with Turkey was delayed by a variety of factors which cannot be discussed here. The year 1920 was marked by five important developments: (1) In January a new and strongly nationalist Turkish Cabinet issued a manifesto known as the "National Pact", which, among other things, refused to contemplate the surrender of the Mosul vilayet; (2) in April a Conference at San Remo allotted the Mandates for Iraq and Palestine to Great Britain and those for Syria and Lebanon to France; (3) in May, in Iraq, tribal unrest, exploited by Iraqi nationalist officers serving with Faisal in Syria, flared up into a formidable rebellion, which was not suppressed until September; (4) in July the French overthrew the autonomous Arab government in Syria and expelled the Amir Faisal; (5) in October the British High Commissioner at Baghdad formed a Provisional National Government of Iraq with the leading Sunni personality of the country as Prime Minister. In March 1921, at a conference convened at Cairo by Mr. Winston Churchill, Secretary of State for the Colonies, it was decided among other things that the candidature of Faisal for the throne of Iraq should be supported. Three months later the Amir reached Basra in a British ship and in August, after a referendum, he was proclaimed King.

The position that grew up in that country was one of those strange compromises, defying all logic, for which the English are always said to have a peculiar genius. On the one hand, here was a state with a written Organic Law describing it as "sovereign, independent and free", with a constitutional hereditary monarchy, and a Cabinet responsible to an elected Parliament; on the other hand, in international law, until July 1924 the vilayets of Basra and Baghdad, and until June 1926 the vilayet of Mosul, remained under Turkish sovereignty; but at the same time the whole territory was under the tutelage of Britain, the Mandatary responsible to the League of Nations for its good administration. The link between the Mandatary, which submitted annual reports to the League on its stewardship, and the Government of Iraq was provided by a treaty, signed in 1922 but not ratified until the end of 1924,

which studiously avoided all reference to a Mandate.

The machinery of administration became a kind of diarchy. At the top was the King in constant contact with the British High Commissioner. At the next level there was in every Ministry a British Adviser, whose status and rights were defined by regulations having the force of law. In the provinces, at the elbow of each Governor, there was for several years a British Administrative Inspector directly subordinate to the Adviser to the Ministry of the Interior. In the various departments also there were inspectors or, in the more technical services, executive directors. All such officials retained for service under the Iraqi Government were instructed that "the basic principle underlying the relations between the two governments is cooperation towards a common end, namely the establishment of an independent Iraq, friendly to and bound by gratitude and obligation to His Majesty's Government".

In such a system differences of opinion were, of course, bound to arise from time to time, not only on matters having a political flavour but also on questions of day-to-day administration. But with one or two exceptions it can safely be said that most Iraqi officials came to regard their British colleagues, not as agents from outside set to restrict their liberty of action, but as faithful counsellors and friends.

In the early days there was no such thing as a corporate Iraqi patriotism. On the contrary, there was in many parts of the country intense hostility to, or jealousy of, Baghdad; and it was one of the important tasks of the Mandatary Power to overcome, sternly or tactfully according to the circumstances, various centrifugal forces, notably in Basra, on the Middle Euphrates, and among the Kurds.

Until 1926 the most dangerous threat to the very existence of Iraq was the claim maintained by Turkey for the retrocession of the Mosul vilayet. The question had been specifically excluded from the Lausanne settlement and left for direct negotiations between the parties. When these failed the problem was referred to the League of Nations, which decided in favour of Iraq, subject to certain guarantees for Kurdish and other minority rights and subject to a proviso that the vilayet should remain under Mandate for a period considerably longer than that contemplated in the current Anglo-Iraqi treaty. Iraq has land frontiers with no fewer than six different states; Turkey, Syria, Sa'udi Arabia, Persia, Kuwait and Jordan. Although by 1932, when the Mandate ended, all six boundaries had been defined in some sort of treaty or agreement, only that with Turkey had been recognizably demarcated on the ground, and relations with the second, third and fourth, each for special reasons, remained far from cordial.

### The Model Mandate

Notwithstanding the manifest dependence of the infant state on the Mandatary alike for the protection of its boundaries against encroachment or even aggression by ill-disposed neighbours, for countering disruptive influences within, and for ensuring internal security, and notwithstanding the friendly modus vivendi established between the two sides at all levels of the diarchy, there was no respite in the efforts of Faisal, Nuri and the other leading nationalists to loosen the bonds of mandatary control. In Parliament politicians in opposition with no responsibility could attack the Government of the day for submitting meekly to this state of affairs; the press was used to stir up feeling against what they called "the perplexing

predicament" of the diarchy; even the most responsible quarters justified these outbursts with the excuse that where no national sentiment yet existed the only way to create one was to stir public opinion up against something, and in the circumstances that "something" could only be the British Mandate. At the same time there was genuine gratitude for the firm and successful

stand taken by Britain on the Mosul issue.

With her admission to the League of Nations in 1932 Iraq achieved complete independence. Her relations with the former Mandatary were regulated by a new Treaty of Alliance, which had been signed in June 1930 but only now came into force; among other points it granted to Great Britain the privilege of maintaining two air bases in the territory and reserved for the British Ambassador, who replaced the High Commissioner, precedence over all his diplomatic colleagues. Since the Iraqi revolution of 1958 there has been a tendency among commentators to look at events of the past through the spectacles of present-day political philosophies and with the sapience that comes after the event. It is therefore interesting to recall that, although some of the provisions of the Treaty were bitterly attacked by politicians in opposition at the time, in the world at large Britain's policy was hailed as highly liberal and praiseworthy, and her stewardship as "the Model Mandate", and that it was only strong British pressure that induced a very sceptical League of Nations to consent to what it regarded as a premature emancipation.

The debt of Iraq to the Mandatary Government is handsomely acknowledged by the Arab nationalist writer, George Antonius, in his book The

Arab Awakening published as late as 1938:

The British contribution to the building up of Iraq is one of the most remarkable instances of post-war reconstruction. . . . It can without exaggeration be said that the modern state of Iraq owes its existence largely to its British officials. The achievement is all the more striking as Iraq, with its large tribal population, its sectarian divisions, and the scarcity of its means of communication in proportion to its size, is a particularly difficult country to administer on the usual lines of bureaucratic routine. . . . It was fortunate for Iraq that, in many important respects, Great Britain's interests marched with her own. . . . The British desire to control the sources of oil in the *vilayet* of Mosul resulted not only in the incorporation, thanks entirely to British diplomacy, of that province into the Arab State, but also in effective Anglo-Iraqi co-operation towards the solution of the Kurdish problem.

In the long term, too, it can be reasonably held that, not without trial and error, Great Britain had, in Iraq at any rate, successfully "come to terms" (to use the now favourite cliché) with the great wave of Arab nationalism set in motion by the First World War, and that her policy in regard to the Mandate worked out about right: it continued long enough to establish reasonably firm foundations for the new state, but was terminated in time to secure for twenty-six years more the friendship not only of the leaders of that wave but also of a younger generation of men who had worked in the diarchy. Until 1941, certainly, the position of the Anglo-Iraqi alliance as the main prop of Iraq's foreign policy was never seriously questioned. In 1938 when war appeared inevitable the Prime Minister, Jamil al-Madfa'i, an officer on whose

head there had been a price at the time of the rebellion of 1920, affirmed without a moment's hesitation Iraq's determination to honour all its obligations, and in September 1939, as will be related below, the spirit was the same.

### Soldiers in Politics

THE year 1932 did not bring any very drastic change in the composition of the administrative machine. There had already been a progressive reduction in the numbers of British officials, especially during the last years of the Mandate, and the process was of course continued; but an appreciable proportion were invited to stay, not only in the technical departments. It was therefore unfortunate that, just as the Mandate as a cause of friction disappeared, the aggravation of the Palestine issue due to the increased tempo of Jewish immigration that followed the advent of Hitler to power in Germany in 1933 should have come to cast its shadow over Anglo-Iraqi relations, without, however, seriously impairing the solid basis of friendship and mutual confidence that subsisted in that part of the administration which had grown out of the old diarchy, or indeed the personal cordiality between the Palace and the Embassy, which had replaced the High Commission.

A second misfortune was the sudden death of King Faisal I in September 1933. "The debt which the country owes to its first king", to quote Antonius again, "can scarcely be overstated; . . . and it is the unanimous verdict of all those who are in a position to judge that his influence was the decisive factor in the creation of the modern state of Iraq." Certainly no one who witnessed the moving manifestations of nation-wide grief on the day of his funeral could have guessed that before twenty-five years were out Abdullah, Ja'far and Nuri would all have been struck down by the hands of Arab assassins and that his own proud statue would have been overturned and smashed to pieces with howls of execration by the frenzied mobs of his capital.

A third and most pernicious development, detrimental both to Anglo-Iraqi relations and to good administration, was the rise to political influence of the army. Although there was a mission of British instructors attached to it this force had been conceived in a spirit of extreme nationalism; it was regarded as the outward and visible sign of nationhood, and it became the host of a festering grievance—the complaint that the British Government was deliberately trying to keep it inefficient by denying it the most modern weapons.

Fourthly there was the system of Public Instruction. The first permanent Director of Education and a large proportion of the teachers were outsiders from other parts of the Arab world with their own grievances against the West, and the Iraqis in the higher ranks were for the most part men with little or no experience of co-operation with the Mandatary. The schools offered, of course, the ideal field for the application of the theory that to create a new patriotism you must stir up the people against something or somebody. German propaganda did not fail to exploit the prevailing indignation over Palestine, there were pilgrimages to Nuremberg, a youth movement called Futuwwa adopted the corresponding Nazi and Fascist organizations as its model, and high officials of the Ministry of Education took to strutting

about in uniform. Nationalism frequently leads to the falsification of history and, to put it mildly, the uninstructed reader would never have suspected that the school books and George Antonius, in the first passage quoted, were

referring to the same people and the same events.

During Faisal's reign of twelve years there were no fewer than fifteen Cabinets under nine different Prime Ministers. Although Cabinets were supposed to be responsible to Parliament not once did a government fall as the result of an adverse vote on a question of confidence (and the same remained true up to 1958); each change was brought about by the intervention, direct or indirect, of the Palace. Whether this was due to a certain restlessness and impatience in the King's character or to a carefully calculated policy it is not possible to say; but he must often have called to mind the famous injunction of the dying Caliph Mu'awiya to his son Yazid in A.D. 680 that the best way to keep the Iraqis quiet was to give them a new governor whenever and as often as they asked for a change. To those working in the administration the resulting lack of continuity was no doubt exasperating; but in a country where party politics were a matter of personalities and not of doctrines this practice did constitute something of a safety valve: the "outs" could always be confident that the King would tire of the "ins" before long and give them their turn. The new Cabinet, once installed, could always count on a majority in the Lower House. New elections were generally asked for to find "jobs for the boys" rather than because of any real parliamentary necessity.

The first case of open intervention in politics by the army was in October, 1936, three years after Faisal's death, when the Cabinet of the day was driven out by a *coup d'état* under General Bakr Sidqi. General Ja'far al-Askari, Minister of Defence (who had gone out to try to reason with the troops marching on the capital), was murdered in cold blood, and Nuri as-Sa'id,

Minister for Foreign Affairs, narrowly missed a similar fate.

It was a sinister precedent. Bakr Sidqi was himself "bumped off" by another group of officers within ten months. In the next three and a half years four out of the five changes of Cabinet were made under pressure from cliques of military officers, and culminated (as will be recorded in greater

detail below) in a second coup d'état, on the night of April 1, 1941.

None of these movements had any ideological motive, nor were they hostile to the monarchy; they were simply mutinies of cliques of ambitious officers working with or for the established politicians. The coup of 1936 was sparked off by an incautious speech of the Prime Minister, Yasin al-Hashimi, then accounted the most extreme of nationalists, announcing that he expected to remain in power for ten years to carry through his programme, and brought to office a former colleague, Hikmat Sulaiman; a group of radical politicians joined his Cabinet but before very long resigned in disgust. The next four military interventions similarly brought back or confirmed in office other well-established politicians, Jamil al-Madfa'i, Nuri (twice) and Taha al-Hashimi, Yasin's brother.

In September 1939, when the Germans invaded Poland, emergency legislation was at once put in hand and other action planned on the assumption that before long Iraq would be at war at the side of her ally: diplomatic relations

with Germany were broken off, the German Minister and Legation staff were expelled, and all other Germans were rounded up for internment; the Regent telegraphed to King George reaffirming "the unbreakable attachment of Iraq, Government and People, to the letter and spirit of the Alliance".

### War-time Pressures

FOR the first few months the country remained to all outward appearance little affected by the war. But of course it had not failed to occur to Iraqi politicians of all persuasions that the need of Britain and France was the Arabs' opportunity to demand a quid pro quo for their support: the immediate emancipation of Syria and, at the very least, the application of that part of the British White Paper of 1939 which provided for the progressive advance of Palestine to independence within ten years, but which the Government had decided to suspend for the duration of the war.

The sweeping German victories of May 1940 were not unnaturally the signal for increasing the pressure. In June the collapse of France, at the end of August the blank refusal of the United Kingdom Government to do anything about Syria and Palestine, and in October a German broadcast declaration of support for Arab aspirations came in turn to strengthen the position of the defeatists (who argued that Iraq would be wise to make terms with the victorious enemy as soon as possible), the extreme pan-Arabs (who were powerfully reinforced by the arrival in Baghdad, in the middle of October, of the leader of the Arab revolt in Palestine, the Mufti of Jerusalem), and the xenophobe element, always present in the countries of the Middle

East, who, in this struggle, were naturally pro-Axis.

It would be wearisome to try to trace the political manœuvrings, with the army well to the fore, that led to the coup of April 1, organized by a group of four senior officers in association with Rashid Ali al-Gailani, another longestablished politician who had held office in several Cabinets since 1924, three times as Prime Minister, and had also been Minister of the Court. It was not aimed at the institution of the monarchy or the dynasty, but at the person of the Regent, Abdul Ilah, who was dismissed by a subservient Parliament meeting under the eyes of the four generals seated in the royal box, and was replaced by a minor member of the Sharifian family. He himself had escaped by way of the British air-base at Habbaniya to Basra, where a brigade from India had just landed to establish a base for troop movements in accordance with the Treaty of Alliance. From here he moved on to Amman, where he was joined by Nuri, Jamil al-Madfa'i and other loyal politicians. Habbaniya was surrounded by units of the Iraqi army and fighting began on May 2. The revolt collapsed with the arrival in Baghdad of a small column of British armoured cars from Palestine and a contingent of the Arab Legion under Glubb Pasha. The Regent accompanied the column, and Iraqi prisoners captured at Habbaniya were released to provide the guard of honour when he passed through.

Thereafter, until the end of the war, even in the dark days of 1942 before the turn of the tide, there was no faltering in the fidelity of the Regent and the Government to the cause of the allies. War was formally declared on Germany, Italy and Japan in October. Inside the administration there was a second honeymoon of Anglo-Iraqi co-operation, and new British experts

were engaged to advise on economic organization in time of war.

As the direct danger receded the permanent and familiar factors that influence political life in Iraq and have made the task of responsible statesmen so difficult naturally came back once more into play: a lively interest in pan-Arabism, the ever-simmering Palestine grievance, sectarian differences, the personal rivalries that take the place of party politics, and a venal and scurrilous press ever ready to fan the flames of personal vendettas, a neurotic type of nationalism, or a crude xenophobia.

### A New Brand of Nationalism

THE meteoric rise of Iraq, within a period of well under forty years, from the status of three stagnant and forlorn provinces of a decadent Empire to an honoured place among the nations out of all proportion to its size and population can have few parallels in modern history. Credit must be due to somebody somewhere, from those who laid the foundations to those who guided the destinies of the country in the post-war years and ensured that, as the royalties from oil increased from the £2 million of 1939 (in 1935 the whole state budget had been balanced at £4½ million) to the £6 million of 1950 and the £80 million of 1956, ensured that the larger part should be allocated to development schemes and social services of every kind.

In the seventeen years from 1941 to 1958 there was a truce from military intervention in politics. Nominal changes of Cabinet, twenty-nine with four-teen different Prime Ministers, were as frequent as before; but Nuri's nine terms added up to nearly nine years and the other changes were largely

reshuffles of the same old pack.

The facile charge is often made against the Western Powers that their policy has been to help the old gangs of reactionary Pashas to retain all political influence in their own hands. The charge is hardly fair. Although it has been brought into contempt by communist Russia the first rule of the comity of nations is that foreign governments must deal in any country with the administration actually in power, whatever its political complexion. Even the most trusted friend can do little more than advise that the basis of administration should be broadened. Anything beyond this would be branded as unwarranted interference in the internal affairs of the State, and the intended beneficiaries would be the first to respond to propaganda against the well-meaning reformer from outside. The city mobs of Iraq too, especially those of Baghdad and Mosul, are notoriously volatile, ready at any moment to be whipped up into a frenzy of fanatical passion against the alleged sinister intentions of a foreigner, or against their own idol of yesterday after his fall. Where, in spite of democratic forms set out in paper Constitutions, the electorate is insufficiently mature to bring about changes by vote in Parliament or a general election, only two ways remain: astute manipulation from above in the manner of Faisal, or revolt; and, with modern arms as complex as they are, this must generally mean revolt by the army. Nothing succeeds like success, and under a revolutionary military administration still preoccupied with consolidating its position, few would dare to raise a discordant note. It may not therefore be possible to determine at once whether there has just been a lucky mutiny or whether the intervention of the army has interpreted a widespread popular desire.

Enough has been said to show that the coup of July 14, 1958 was quite in character with the general trend of events throughout the twenty-six years of independence. A military revolt might have occurred at almost any time from about 1948 onwards; it was simply a matter of awaiting a favourable moment. The vacillations and astonishing inconsistencies of the new Government's behaviour certainly suggest that the mutineers had no very clear idea where they were going after attaining the immediate objective, the overthrow of the existing régime.

But this time the conditions were very different from those obtaining at the time of the earlier major revolts of 1936 and 1941:

1. Great Britain had withdrawn from India (the base from which British influence had first penetrated Iraq and from which it had since been sustained), and from her other bases of physical power in Palestine and Egypt; she was therefore no longer in a position to exercise the same steadying influence as in previous crises.

2. The "cold war", with the United States and Russia as the principal antagonists, had invaded the Middle East.

3. There was now a far greater political consciousness among the masses owing to the spread of education, the wider dissemination of newspapers, and the development of broadcasting.

4. The Second World War, like the First, had set in motion a new wave of Arab nationalism. But the new nationalists had been brought up on the burning grievances of Palestine and the partition of the Arab territories detached from the Ottoman Empire after 1918; unlike their no less aggrieved predecessors they knew or cared nothing about the other side of the picture, the part played by Western arms and diplomacy in the creation and preservation of the new independent Arab states. (Indeed it is perhaps not unfair to say that, in Iraq at any rate, the educational policy of some of those predecessors has brought its own nemesis: in the view of the younger generation taught in the national schools and now at the helm they stand convicted out of their own mouths of having aligned themselves with "imperialists" from whom they had received no benefits, only oppression and exploitation.)

5. Egypt had cast off its previous aloofness. Making good use of the Arab League she had assumed the leadership of the pan-Arab movement and, moreover, had greatly enhanced her position by the recent diplomatic victory after Suez. In all parts of the Arab world where there is an appreciable intellectual element the possession of a common language ensures the constant interchange of ideas and fosters a longing for some kind of unity transcending all temporary differences and rivalries. The influence of Egypt, with its long-established cultural prestige, and its example, were bound to be profound. The proclamation of the republic in 1952 must have gone far to sweep away the inhibitions regarding the monarchy. The constant stream of

propaganda from Cairo could not have failed to predispose the younger

elements in Iraq to welcome the revolution.

Although it was for very different reasons both Nasir and Abdul Karim Qasim had the same immediate objective, the overthrow of Nuri and "the establishment" associated with him. Even with no previous collusion its successful achievement was bound to inspire at the moment something resembling those warm feelings of mutual regard which usually unite comrades who have shared some great adventure. But there really was no basis for the assumption of some observers that the differences between the two countries were due entirely to the conflicting interests and ambitions of ruling groups and, once these had been swept aside, the union of the peoples would follow as a matter of course. The facts of history, geography and economics are compelling and permanent. The Iraqis are probably the most virile and individualistic of all the Arabs, not at all the men to play second fiddle, like the Syrians, to a dominating Egypt. If there had been a hurried marriage in the passion of the moment as desired by Qasim's principal lieutenant, Arif, it could hardly have lasted.

For months Cairo and Moscow, with their broadcast denunciations of the monarchy, Nuri, the landlords and other "blood-sucking lackeys of western imperialism", and even their incitements of the Kurds, had been speaking the same language. It was only after the consummation of the revolution that the gulf between the two became obvious. The communists were found to be unexpectedly well organized in all parts of the country and to have secured for their men control of many key positions, especially in the realm of communications of all kinds. In order to justify themselves the new rulers were in any case bound to represent everything that had gone before as thoroughly evil and corrupt; former ministers and military commanders had to be tried on charges of treason and provincial governors and other experienced civil servants dismissed wholesale; as much as possible of former policies had to be ostentatiously reversed, and the foreign government which had been the most successful in "coming to terms" with the old nationalists

rebuffed.

But Qasim's early pronouncements, his assurances to the oil companies, and his hesitation to confirm the death-sentences passed in the political trials and even to withdraw from the Baghdad Pact (which was clearly inevitable) at first gave some hope that, after the initial frenzy of the revolution had worn off, he might follow a middle road of real non-alignment. Most of those who know Qasim personally, or have talked with him since his rise to power, maintain that he himself is not a communist. If this is correct the simile of "the man on a bolting horse" could hardly be more apt, and it may be that it is the shouting and cracking of whips from Cairo that is keeping the animal in full career.

This then is the background of the *émeute* at Mosul in the week of March 8, which, it is now clear, was provoked by the action of the Government in staging there a monster rally of the "Partisans of Peace", one of several communist organizations now very active in Iraq. It was, of course,

<sup>\*</sup> The Observer, March 22, 1959.

to be expected that, very soon after Qasim's seizure of power and quite apart from the issue of relations with Egypt, other ambitious officers would begin to plot for his overthrow. Colonel Shawwaf, O.C. Troops at Mosul, was quite probably one of these; but he seems to have been goaded into premature action against Baghdad by the Government's support of the dangerously disorderly mobs sent in from all parts of the country by special trains. Mosul is not "in the heart of Kurdistan" as has so often been stated; it is a very Arab city, out in the plain but not far from the Kurdish foothills, and has given Iraq many of its aristocratic, conservative and hitherto influential families. Armed Kurdish tribesmen, responding to appeals over the wireless, came in to join in the disturbance. They no doubt took part in the hunt of the aristos of the city and the murder of "reactionary" officers by their men at Aqra, but they were not principals. The undisguised welcome and support given to the movement by the United Arab Republic has had the effect of pushing Qasim even deeper into the arms of the communists.

The wisest policy of Great Britain in present circumstances would seem to be to avoid being drawn into the quarrel between two Arab states but to watch for any opportunity that may present itself to help to stop the bolting horse.

### The Kurds

IN conclusion a word must be said about the Kurds.

Kurdistan, the country inhabited more or less continuously by the Kurds as a homogeneous community, lies astride the frontiers of Turkey, Persia and Iraq, with small overlaps into Syria and Soviet Armenia. Their numbers are estimated to be about 21 million in Turkey, 12 million each in Persia and Iraq, and \( \frac{1}{2} \) million in the other two, making \( \frac{1}{2} \) million in all. In Iraq they are concentrated for the most part in the four provinces which formerly constituted the Mosul vilayet: Mosul (35 per cent of the population), Arbil (90 per cent), Kirkuk (50 per cent) and Sulaimaniya (100 per cent).

Kurdish nationalism has its roots deep in the past. In its modern form it developed along parallel lines with the similar Arab and Armenian movements within the Ottoman Empire, and received encouragement from the same developments, pronouncements and arrangements up to the Treaty of Sèvres (1920). Although not applicable to them this Treaty aroused hopes of independence among the Kurds across the border in Persia also. In 1919 the British military authorities had actually set up a Kurdish administration in the province of Sulaimaniya with parts of Kirkuk and Arbil, and introduced Kurdish as the official language; the experiment was not a success owing to the ignorance and overweening ambition of Shaikh Mahmud, the only person with the local prestige necessary to head it.

After 1920 several armed nationalistic risings took place in Turkey; for some years, after all hopes of a larger, unified Kurdish state had been destroyed by the Treaty of Lausanne, the southern Kurds, led by Shaikh Mahmud, who in 1922-23 proclaimed himself King of Kurdistan, resisted incorporation in Iraq. In Persia also there were revolts, and as late as 1944-46 the Mukri Kurds, with Russian support, proclaimed the short-lived "Republic of

Mahabad".

Between 1946 and 1958 there had been little manifestation of Kurdish political nationalism. Resentment against the ruling majority was less in Iraq than in Turkey and Persia because it was here that the Kurds had had the fairest deal: only in Iraq were they legally recognized as a minority having certain rights of their own qua Kurds, or was their language used for elementary education, local administration and legal proceedings, or was there any lively cultural and journalistic activity. This was due to: (a) the obligation on the Mandatary power until 1923 to keep open the possibility of their adhering to a Kurdish state; (b) the conditions under which the League of Nations had awarded the Mosul vilayet to Iraq in 1925; and (c) the guarantees demanded by and given to the League when Iraq was admitted to membership in 1932. One or two Kurdish ministers were normally included in every Cabinet.

It was nevertheless widely felt, not without reason, that the guarantees were being, at best, grudgingly implemented and that the Kurds were not getting their fair share of social services (especially education) and development projects. Many of the younger generation, with a racial grievance added to the feelings of frustration common to the youth of many countries besides Iraq, were tending to look to Russia for their inspiration; it was not that they knew or cared much about Marxism but that they were conditioned to lend themselves to activities inspired or directed from Moscow. There were furthermore two aspects of recent Iraqi policy which were distasteful. They disliked the Baghdad Pact, seeing in it a reinforcement of the Treaty of Saadabad (1937) between Iraq, Persia and Turkey, which they have always regarded as aimed at the Kurds; feeling that their relative importance must thereby be diminished they were not at all happy about the union with Jordan with the emphasis in the title on its Arab nature and had pressed, unsuccessfully, for some mention of the Kurds in the Constitution.

General Qasim, in contrast, set about conciliating Kurdish sentiment from the first day of the revolution: a Kurd was appointed to the triumvirate Council of Sovereignty and a son of Shaikh Mahmud was included in the Cabinet\*; the "Temporary Constitution" promulgated a few days later made specific reference to the Kurds as co-partners with the Arabs, with full racial rights, within the framework of Iraqi unity; some weeks later a new coat-of-arms was designed to include the acceptable symbol of a Kurdish dagger to match the Arab sword; a number of prominent Kurds (including another son of Shaikh Mahmud) were released from detention or prison; the most notorious tribal rebel of recent years, Mulla Mustafa of Barzan, who had taken refuge in the Soviet Union, was allowed to return and was fêted on arrival; and the theme of Kurdish-Arab brotherhood was "plugged" with unwearying persistence by the official "guidance".

The Kurds for their part have taken very literally and seriously the passage in the "Temporary Constitution" regarding their equality of status. It is constantly repeated and underlined in the Kurdish press which (it must be granted) has never, even in the days of the Mandate, felt itself so free to ventilate opinions about Kurdish rights. Simultaneously there has been a

<sup>\*</sup> He has since resigned and been replaced by another Kurd of aristocratic family.

crescendo of attacks on Turkey and Persia (and latterly Syria), with demands for the liberation of the "enslaved brethren" across the borders. The Kurds of Iraq are fewer than those of Turkey and Persia, but in view of their more privileged position they can with some plausibility assume the role of the free nucleus of a united, independent Kurdistan. Such irredentist ambitions are hardly compatible with the integrity of Iraq as part of the Arab World also postulated in the "Temporary Constitution". But for the time being, under the smoke-screen of abuse of "imperialism", a comprehensive term embracing the monarchy, the former Mandatary power coupled with the United States, and the Turkish and Persian Empires past and present, the incompatibility can be conveniently ignored and much would have to happen before it became a live issue.

It has always been obvious that if ever it became Russian policy to cause serious disruption in Turkey, Persia or Iraq, propaganda for, and eventually support of, a united independent Kurdistan would be a dangerous tool ready to hand. Many of the older Kurds, knowing what individual "liberty" is, behind the iron curtain, must be alarmed by the progressively communistic orientation of government policy. But, other things being equal, Qasim could probably always count on Kurdish support against any movement in favour of too close an alignment with Egypt.

# UNITED KINGDOM

### NO ELECTION YET

R. MACMILLAN left it late before he extinguished all the rumours M and speculations, in and beyond Westminster, about the likelihood of a general election in the early days of June; but it is not obligatory to assume that he had no other purpose than to tease and confuse the hostile camp. When in the end he did drop the hint in public, at the beginning of another "meet-the-people" tour in Lancashire, he confirmed the judgment of all but the most excitable politicians and commentators. He explained that the Government had a duty to "follow through" the initiative that had been taken to see what may be done to relax East-West tensions in Europe, first at the meeting of Foreign Ministers in Geneva and then at a summit meeting, or a series of summit meetings. In less public circumstances, when he attended a private luncheon as the guest of the 1922 Committee to which all backbenchers taking the Government Whip belong, he went a little farther. There is no record of the form of words he used, but he certainly left the impression that he considers himself under a duty to Britain and the West to continue in office until he has had a chance to try to finish the work he began with his Moscow reconnaissance. Some of his backbenchers, though no more than a few, bridled a little afterwards in private at one or two of the implications of this. They thought that they detected signs of egocentricity, and they wondered whether a strong and legitimate appeal for the renewal of the Conservative mandate was not being rashly surrendered. The opinion polls, ran the argument, have shown that the country is massed behind Mr. Macmillan in the personal leadership he has given in the search for peace. Would not a victory at the polls, on this particular issue, strengthen the Prime Minister's hand both in the counsels of the West and at the summit? And would not such a victory relieve him of the risk that the lifetime of this Parliament (it has only a year to run) may be too short for the reaping of the benefits of negotiations that are apt to be protracted?

But for the mass of the ministerial rank and file there could be no doubt that Mr. Macmillan had come to the right decision. The evidence alike of the opinion polls, the results of recent by-elections, and the constituency reports reaching party headquarters suggests that a general election at any time in the last few weeks would have put the Conservative Ministry at hazard; Labour might well have won by a small margin or the Government's majority in the Commons might have been cut back to the point where there would have been a virtual deadlock. Self-interest pointed firmly in the same direction as the Conservative conception of national interest, even of Western interest. On this view, the supreme duty of Mr. Macmillan and of Conservatives must be to keep Mr. Gaitskell and Mr. Aneurin Bevan from the seats of power at what might well prove the most fateful period in post-war European history; and therefore no risks must be taken at the polls. For none need

doubt the sense within the Ministry and the Conservative Party as a whole that a Labour Government would be disastrous. As they see it, there is no absolute assurance that any electoral advantage will be gained by the continuance of Mr. Macmillan in office for a further six or even twelve months, but if the worst must happen, at least it will be mercifully postponed.

Certainly Mr. Macmillan has been at no pains to encourage his followers or the country at large to delude themselves with hopes that a summit meeting is likely to produce some dramatic transformation of the international scene which will bring voters flocking to the polling booths to show their gratitude for the man and the Ministry that succeeded in cutting the Gordian knot. He has repeatedly made occasion for warnings against overpitching expectation. For him, the real hope is that at the first summit a cautious, even nervous, step forward may be ventured, and that its chief value will be to recruit confidence for a series of further steps. Yet even this modest accomplishment would be of electoral service to the Government. If the Opposition succeed in establishing foreign policy as an election issue that moves hearts and minds, or perhaps more precisely as the formulation of a current of opinion that is already flowing through the country, then it will be important for the Government to have banished the "Suez image" from the thoughts of some electors. In short, if Mr. Macmillan and his party are able to show themselves in the character of the sincere pacifiers of Europe, they will repair much of the damage done to the Conservative image, rightly or wrongly, by the extraordinary events of 1956. But if they show themselves in the character of appeasers they will lose more than they are likely to gain.

## **Uneasy Relations**

IT is one of the ironies of the day's politics that those deeds and attitudes which cause Mr. Macmillan to prosper in the esteem of his countrymen as a national leader have served to bedevil his relations with the foreign governments whose confidence he sincerely courts in the busy practice of his doctrine of interdependence. We are often told that some newspaper comment here has made too much of the friction, or, if not friction, then unease, that has caused the fur to bristle in Washington, Paris and Bonn during the last few months. Differences there have been, official and ministerial voices admit, but they are differences not of principle or of quintessential policy but of emphasis, of pace, and of timing. It all came to a head when Mr. Macmillan announced his decision to set off for Moscow on his reconnaissance. At that time, as it is seen from London, the Western leaders had not only failed to agree on the response that should be made to Mr. Khrushchev's threat last November against the integrity of Berlin, but they showed a disposition to do no more than strike traditional attitudes. Mr. Macmillan frankly set himself to take the lead in finding a way out of a dangerous impasse. But all his industrious diplomacy on visits to Paris, Bonn and Washington to report on the results of his reconnaissance failed to remove a tangible anti-British feeling. President Eisenhower and Dr. Adenauer were

not impressed; General de Gaulle apparently continued to be wholly pre-

occupied with France.

Concurrently Britain's trading relations with her most important allies have been disturbed. Let there be no doubt: there has been a distinct stiffening of the Government's attitude towards the six countries of the European Common Market during the last month or two. It had been known that simultaneously with Anglo-French discussions on the ad hoc mitigation of discriminatory French tariffs and quotas Britain had taken the lead in discussions at official level with the Scandinavian group, and some of the other eleven O.E.E.C. countries excluded from the Rome Treaty, on how the inhibitions set by the Common Market on unilateral European trade should be countered; and the day came when the more serious London newspapers carried articles containing a hardly veiled warning that if the "Six" persisted in tightening the squeeze some of those beyond the pale might be forced to protect themselves by organizing a second European trading and economic block. These articles were written with a confidence that had to be regarded as significant, and, as it happened, they were confirmed some time later by ministerial voices. The particular occasion for the firmer tone taken in London was the canvassing of a proposal to amalgamate the airlines of the "Six"; the particular suggestion was that the "Six" would do well to remember that British European Airways (linked with British Overseas Airways Corporation), Swissair, and Scandinavian Air Services would make no negligible retaliatory combination.

In fact, the threat of the Common Market operations to damage British trade in Europe lies in the future. Industry reports that so far, since the Rome Treaty began to work at the beginning of the year, the adverse effects have been unimportant. But as time passes the walls British industry will have to scale will grow. Mr. Maudling, the Paymaster General in the Cabinet who has been responsible for the negotiations on European Free Trade, has made it clear that the British Government still base their hopes on an agreement for the fullest range of multilateral free trade, but that if this should prove unattainable Britain, joined with other O.E.E.C. countries beyond the pale, must look to her own interests. Nor is there any reason to doubt that France is the formidable obstacle. Much now seems to depend on the persuasions within the Common Market of the Federal Government in Bonn, where there has always been a livelier sense that the economic division

of Europe may do much to weaken the wider unity of the West.

Meanwhile, the United States threat to British trade has been felt where it hurts. Conservative backbenchers have enlisted the Prime Minister's help in carrying to the White House their appeals, sometimes angry and sometimes just disheartened, for a more liberal American attitude towards foreign competition; and Sir David Eccles, the President of the Board of Trade, who always seems to act on the assumption that bland Wykehamist manners make the usual restraints of diplomacy quite unnecessary, has given the American Chamber of Commerce in London a fairly severe wigging on the subject. But Sir David spoke not simply for his department, he spoke for Britain. "I feel it is my duty", he lectured, "to put on record a few examples of recent

actions by the United States which are reducing the sense of economic cooperation between my country and the Commonwealth, on the one hand, and our great ally across the Atlantic, on the other." He spoke of American quotas on lead and zinc "designed to protect high-cost production in the United States". Of the manœuvres over the Greers Ferry contract he commented "nobody in this country believes, and it would be impossible to make them believe, that the rejection of the British tender was justified on defence grounds". Then there was the matter of navigational aids for civil aircraft: "We had hoped that there would be a full discussion (at the Montreal conference) of the relative merits of the two competing systems—the American system and the British Decca system: in the result, there was no objective assessment." And on the wool tariff he said that the United States could not expect Britain to be satisfied when the arrangements continued to favour Japan at the expense of the United Kingdom. (The decision on wool has been particularly painful for Conservatives because it came direct from the President.)

To complete the sad story there is the experience of British Overseas Airways Corporation, who are apparently to be frustrated in their plan to schedule flights by Comet and Britannia circumnavigating the world because

they are being denied the right to fly from California to Tokyo.

Interdependence? In industry, at any rate, the American view of the doctrine has begun to seem to consist in the take-over of some of the key British companies. One or two coups of this kind that have already been completed have stirred parliamentary interest without producing a storm to compare with that which raged over the passing of control in the Trinidad Oil Company. Theoretically, all politicians agree that the world stands much in need of American capital; but in practice it certainly touches British pride to lose control of enterprises of great strength and cardinal economic importance that have been built up by British judgment and skill.

It happens that while the public read with appropriate choler of the manipulations of their American allies to frustrate British industry's efforts to win its bread in the dollar market, they have been reading also of Mr. Macmillan's attempt to enlarge Anglo-Russian trade. Sir David Eccles has led a trade mission made up of four business men as well as of Board of Trade officials to Moscow to put to the test Soviet assurances that there is trade, almost beyond the dreams of avarice, to be developed. London does not accept Russian figures at face value, but Mr. Macmillan and Mr. Selwyn Lloyd were obviously convinced of two things while they were in Moscow: that a good deal more trade could be done, and that if it were done something might be accomplished in sweetening Anglo-Russian relations. The Russian market for many British manufactures is unquestionable. But trade with Russia can never be simple, inasmuch as for the Soviet Government trade must represent a political decision and for the British Government it must be a deal between a free seller and a free buyer. As an example: last year the British timber trade bought all the timber that the Russians were prepared to sell. Are they prepared to sell more? But one thing the Government do not doubt. All British commercial experience since the war shows that the

Russians stick faithfully to the letter of a contract, pay up on time, and ask for no long credits.

## **Expanding Economy**

At the beginning of 1959 the United Kingdom economy is undoubtedly stronger than in previous years. Demand and production are rising and the economy can afford to expand more than in the past three years. . . . There is scope for a further expansion of output as well as of employment; it is the special concern of the Government to foster both. In considering how fast expansion can go ahead three points have to be kept in mind: the need to maintain a strong internal position, the need for stable prices, and the need to increase unemployment opportunities.

So ran one of the passages in the Economic Survey that set the stage for the Chancellor of the Exchequer's Budget statement. There was much more of the same sort, and before Mr. Heathcoat Amory took his place at the dispatch box everybody had been convinced that with the country's economic needs beautifully in tune with the Conservative principle that taxation is always too high, hardly a hand would be plunged into the brandy-tub without seizing a really valuable prize. But as it turned out expectations scarcely ran high enough. Ninepence off the standard rate of income tax and 6d. off the lower rates; 2d. a pint off beer duty; each of the three highest rates of puchase tax cut by a sixth; f,71 million for the accelerated repayment of postwar credits; investment allowances restored—it might almost be said that the Chancellor of the Exchequer ran amok in the Treasury and the Inland Revenue. In all, he surrendered £295 million of our money this year (to which must be added the bill for post-war credits) and £360 million in future years. The biggest single item was the remission of income tax costing £192 million this year and £229 million in a full year. There has never been such an open-handed Budget, although that is not to say that for the average worker, on wages or salary, the gain is tremendous.

Mr. Harold Wilson, the Shadow Chancellor of the Exchequer who has given himself the annual task of hitting off the just descriptive tag for a Conservative incumbent's work, said straight away that this was "an assignment-with-a-general-election Budget". But Opposition critics, front bench and back bench, gave the slogan a false ring when they busied themselves in damning the proposals because the pattern of reliefs was unfair to most taxpayers. Mr. Heathcoat Amory summed up his handiwork by saying that "this is no spending-spree Budget". His central purpose, he explained, had been to put to work our resources, our manpower, our machinery, our know-how, and our enterprise. He had set out to give business men incentives to equip their factories with the most up-to-date plant in the cause of more efficient production; to cut the cost of living and so reduce pressure for higher wages and salaries and keep down prices in an increasingly competitive world; and to leave more money in the taxpayer's pocket to spend, save, or invest. Everything in the Budget, said Mr. Amory, fitted into the pattern of high, efficient, and competitive output; and within

an hour of his Budget statement some of the brewers anticipated his wishes by marking down beer 2d. a pint to stimulate higher and more competitive in-put.

For the rest of their term the Government have a set policy of keeping controversy out of domestic politics, and Mr. Heathcoat Amory certainly succeeded in his field of endeavour. Labour have been able to complain about nothing in the Budget proposals. They could not let the working man think that they stand for dearer beer, nor the taxpayer that they stand for high taxation for its own sake. But they did not really like the Budget, for they knew that at least to some extent it was a tactical forestalling move against the possibility that the next election will bring in a Labour Government committed to policies that will need to be financed by high taxation. In the end, they have been able to do no more than damn the Budget proposals for what is omitted, particularly the failure to raise old-age and other pensions, and to argue that the Government have switched to expansionist policies at least a year later than they should have done if British production and stable employment were to be maintained.

Many a passion is being torn to tatters about pensions, but rationally the Government have a sound case and they seem to have managed to establish it even in quarters where rational argument is usually thought to be ineffective. Pensions today, in relation to the cost of living, are higher than they were when the Conservatives came into office; and there is wider agreement than Commons debates suggest that from now on it will be better if pensions increases are directed where they are most needed, through such an instrument as National Assistance, and if the cost of living is kept down. Moreover, the Budget is not the right occasion for raising pensions. Changes in National Insurance require separate major legislation; the last two increases, in 1955 and 1957, formed no part of the Budgets or the Finance Bill.

Easily the Opposition's best case against the Government's economic and fiscal policy is that the foot has been kept on the brake too long. Mr. Gaitskell and his colleagues may fairly claim that they came very quickly to what has proved to be the correct judgment about the nature and the duration of the American recession that began to unnerve the Government in the autumn of 1957. If Opposition advice had been taken more than a year ago production would not have lost momentum and the Government would not now be desperately trying to reduce unemployment, particularly in Lancashire and the industrial area of Scotland, in readiness for an electoral trial of strength. Even so, as Mr. Macmillan repeats to the point of tedium his metaphor of the Government's first applying the brake to the economy and then giving the accelerator a burst, he may point to the fact that some authentic blessings have flowed from the Government's excessively cautious direction of the economy. Confidence in sterling has been wonderfully reestablished, the cost of living has held steady for a full year, and the trade unions have been effectively curbed (by falling labour demand) from bidding up wages and salaries. After all, when Mr. Peter Thorneycroft, Mr. Nigel Birch and Mr. Enoch Powell stamped out of the Treasury in a body in January 1958, who would have dared to predict that the year would hold a surplus on the balance of payments of £455 million—the largest surplus since the war and perhaps for many decades?

## A Contracting Industry

FOR British industry as a whole, expansion; for the Lancashire cotton textile industry, contraction. The Government and the mill managements have recognized that the only hope is to cut out the dead and dying wood. All sections of the industry have been preparing their plans for its surgical reorganization, and during the quarter the Government announced their intention to foot part of the bill for reducing its size and for modernizing the mills that remain, in order to bring them to a higher standard of competitive efficiency. Assistance from the Exchequer is expected to amount to about £30 million, which will be used to pay for two-thirds of the cost of removing redundant plant and a quarter of the cost of introducing new plant. As part of the compact with the Cotton Board, a basic condition of Exchequer help in fulfilling the reorganization plan is an agreement between the employers and the trade unions on the payment of compensation to workers who are made redundant.

The textile trade unions are in a dilemma that obliges them to make a critical show. They know as well as the Government and the employers that nothing is to be gained for the workers by allowing the industry to waste away mill by mill because it cannot compete, but they are looking for firm assurances that displaced workers will be adequately compensated and that the reorganization will be accompanied by a government scheme to bring in alternative industries. The Government, of course, will do what they can to encourage firms to take root in Lancashire, but attempts during the last year to guide industry to areas where jobs are most needed have met with no brilliant or prompt success. Experience has shown that the considerations that are most persuasive with expanding firms are those of geography, the existing pattern of production and of distribution, and the supply of the right sort of labour, especially skilled labour. It is to be expected, therefore, that as the months pass more will be heard from both the trade-union and political wings of Labour about the need for the Government to assume responsibility for the phasing of the introduction of new work into Lancashire with the contraction of the old.

Great Britain, May 1959.

#### NORTHERN IRELAND

IN March Mr. Macmillan made good a curious omission on the part of the long line of his predecessors since 1920 by being the first British Prime Minister to pay an official visit to Northern Ireland. He came primarily as the guest of the Ulster Unionist Council, but by the extent of his industrial round the occasion formed part of his "meet the people" tour of the United Kingdom. Of its success neither he nor the people of Northern Ireland were

left in doubt. The working men of Belfast accorded him a more unrestrained welcome than he is accustomed to receive in similar company in England, and his meeting with the delegates of the Unionist Party was nothing short of a triumph. It is a convention annually observed that a Conservative should deliver an address on the theme of mutual support, but not perhaps since the days of Carson has any leader given warmer expression to both the party and constitutional ties.

The very circumstances of Mr. Macmillan's presence removed the visit from the ordinary. Hardly back from Russia and about to leave for Ottawa and Washington, he insisted on fulfilling an engagement arranged a long time before his oversea missions began. It was a compliment to Northern Ireland, reinforced by a renewed pledge of the British Government's concern for the reduction of its high unemployment and the reaching of a state of

economic parity with Great Britain.

On this score the Prime Minister's reputation preceded him: it is said that he wielded a decisive influence in the choice of the new Britannic freighter for the R.A.F., a matter of vital moment to the aircraft industry in Belfast, and one on which Lord Brookeborough made a plea of extreme urgency. Such tangible gestures may be few, but the transactions between the Treasury and the Northern Ireland Exchequer provide ample proof of the willingness to approve expenditure well in excess of the national rate, and indeed far beyond the annual tax yield of the Province itself. That this is necessary both economically and socially remains all too clear. Unemployment continues to fluctuate between 7 and 10 per cent and there has been a disappointing decline in the acquisition of new industry. At a time when the United States is looked to most to help in this direction the breakdown of European Free Trade has been a setback, and it is feared that there will be a further delay before British firms are again ready to seek additional productive capacity on the other side of the Irish Sea. As for this Mr. Heathcoat Amory's Budget, while encouraging new investment, may prove to have embarrassed the Minister of Finance by lowering Northern Ireland's tax revenue and the surplus known as the Imperial Contribution.

Direct aid from London must now be considered to be reaching its limits and the provincial Government, having just raised its capital and re-equipment grants to industry to 33½ per cent, is also beginning to strain its resources. In this situation only a high degree of prosperity in Britain and a greater display of enterprise by local business can make any substantial inroads on a stubborn, almost intractable problem. By now, indeed, the solution is seen as being only in the long term, the passing of an underskilled generation and the advent of one more fully educated and trained. On this, and the steady development of public services, the Government's policy is now founded, and the results are already worthy of note both at home and in the national context. From this point of view there was underlying Mr. Macmillan's Belfast speeches the truth that Northern Ireland should not be a liability, but should be fitted to make its full contribution to

an expanding British economy.

On the political plane it is possible to read some further significance into

the Prime Minister's visit. Accepting that his journeys into the interior are not without reference to the general election, Northern Ireland had a place of its own in the itinerary. Should the next House of Commons prove to be evenly divided the ten to twelve Ulster Unionists, as they did in 1950 and 1951, will be near to holding the scales. The fact is not lost on the Socialist Party either, and in preparation for the most strenuous attempt to break the Unionist hold on the four Belfast seats its co-operation with the Northern Ireland Labour Party has been raised to a new pitch. A by-election in East Belfast in March was an opening skirmish, though one from which neither

party gained much satisfaction.

The Unionist majority fell from 13,897 to 5,260 and the Labour vote failed to achieve the high-water mark of the general election for the Northern Ireland Parliament a year before. In a contest widely publicized as a trial of strength this was an anti-climax, but the Labour challenge has yet to be reckoned with and the Unionist Party finds itself with many questions to answer. In the area of Greater Belfast the moderate swing to the Left is equalled by an apathy on the part of many Unionists who have ceased to flock to the polls as they could always be relied upon to do. There is, moreover, a new generation unimpressed by the fixation with loyalties and ready for less emotional political discussion. The Unionist Party is now somewhat anxiously engaged in overhauling its organization, but there is so far no sign that the tone of its slogans is being subjected to the same re-examination. If the time cannot be long delayed there is, however, no certainty that the issue will be finally decided in favour of a broader and more tolerant electoral policy. In fact, several divisional associations, in their choice of candidates for the election, have caused a general disquiet by rejecting men most likely to represent progressive Unionism and best qualified by ability and experience to take their places in the House of Commons at Westminster. It may be noted at the same time that North Belfast, whose abandonment of its sitting member, Mr. Montgomery Hyde, was condemned by critics as illiberal, was more probably exercising its right to replace him by one with more time to devote to constituency affairs.

It would be idle, of course, to deny that Partition is a lasting preoccupation of the mass of the people. Even for Mr. Macmillan it formed a focal point of his visit. With something less than the diplomacy which the Department for Commonwealth Relations observes towards Dublin, he chose his meeting with the Unionist Council to announce a protest to Mr. de Valera against the release of the hard core of the Irish Republican Army from internment at the Curragh. By his immediate audience this was greeted with cheering: on Anglo-Irish relations the effect appears to have been less happy. Nevertheless, Mr. Macmillan was not without justification in so associating the British Government with Northern Ireland's defence against a guerrilla attack which has persisted for two and a half years, and which has not reached an end, as shown by the fact that the releases were immediately followed by an ambush on the frontier in which four policemen were injured. While there have been no further incidents of this violent nature a costly state of emergency continues, with consequent aggravation of feeling towards the Republic and the

retarding of the slow building up of better relations between the Protestant and Roman Catholic communities at home. The young men of the I.R.A., for all their fewness and unsuccess in the conspiracy to bring about a civil war, have reinfected the Irish wound and deepened all the North's suspicions. Even trade unionism provides an example of the harmfulness of this situation. The great majority of workers in Northern Ireland have been found to support the provisional Irish Congress of Trade Unions, yet because it is an all-Ireland movement with headquarters in Dublin it is not accepted by the Northern Ireland Ministry of Labour. As a result a region direly in need of every means of economic advancement is without formal consultation between the Government and the unions. Nor while the threat of terrorism continues can the unions hope to succeed with the argument that as their members remain attached to their old solidarity, one dating since long before partition, the Northern Ireland Committee of the Irish Congress should be accorded recognition. The Government's dilemma, of course, is that the gain from Labour would be at the cost of no little opprobrium from its nearest and dearest supporters.

Northern Ireland, April 1959.

# **IRELAND**

#### A CHANGING SCENE

THE Irish political scene is changing, and will continue to change. The imminent disappearance of Mr. de Valera from active politics, which heralds the beginning of the end for the "Old Guard", the emergence of younger men (such as the Tuairim group) who insist on thinking for themselves, the gradual, but inevitable, reorientation of our economic policy and the growing realization that the old political catch-cries are no longer valid, are all evidence of this transformation. As the old antagonisms and loyalties of the Civil War period still continue to exert a lessening influence, and old shibboleths are not easily discarded, the change will be slow, but it is none the less inevitable, and it will gather momentum as time goes on. For the moment Irish politics resemble a kaleidoscope in which the moving colours have not yet assumed a permanent pattern. The nature of the new pattern will not become clear till after the referendum on our electoral system has taken place and Mr. de Valera is safely ensconced in the residence once known as the Viceregal Lodge but now called Arus an Uachtaran (the President's House).

#### The End of the P.R. Debate

THE long debate on the Bill to amend the Constitution by abolishing P.R. and substituting for it the British system of election provides evidence of this new trend. Dreary, repetitive, and in part irrelevant, this long discussion, particularly in the Senate, disclosed in some respects a new and more mature approach to our political problems. The main government argument against P.R. was clearly stated by Mr. de Valera when he said:

Those countries which have most successfully built up democratic institutions are the countries in which there is a single non-transferable vote. The single non-transferable vote has an integrating tendency: the proportional representation system has a disintegrating tendency.

The main argument of the Opposition against the proposed change was that P.R. is a fair and democratic system of election because it ensures that all substantial political trends will be represented in Parliament, and that the British system of election, which Mr. de Valera prefers, may easily lead to government by a minority. The Opposition also argued that even if P.R. was abolished the alternative vote should be retained. Under our present much diluted system of P.R. the relationship between votes cast and seats secured is fairly close, but, as is desirable, the larger parties usually obtain slightly more than their share. In order to obtain a clear majority under the present system a party must secure between 45 and 49 per cent of the total poll, but under the British system something like 38 per cent should suffice. A changeover should thus make it easier for the Fianna Fail Party, weakened

by Mr. de Valera's retirement, to retain power. Dublin Opinion neatly summarized the situation in a cartoon which showed Mr. de Valera chalking up the equation F.F.-P.R. = F.F. But whatever the immediate effect of the change it seems clear that the inherent instability of the single-member system might in the long run provoke dangerous reactions. The Senate apparently took this view and rejected the Bill by 29 votes to 28. Although this decision only delays its passage until April 28 it indicates the uneasiness of informed opinion. The university members in the Senate subsequently issued an appeal to the Opposition leaders to give a pledge that as soon as it was in their power to do so they would set up an impartial commission to inquire into the electoral system. It is expected that both the referendum on the electoral Bill and the presidential election will take place on the same day about mid-June. The result of the referendum is quite unpredictable, for the public has given little indication of its real opinion on the question at issue. There is, however, a good deal of apathy, many people feeling that even the abolition of P.R. will make little difference if the old parties and their faded leaders remain. It is therefore possible that there will be a small poll. A special commission appointed to examine the method of electing the Senate has just recommended that half the number of the senators elected from vocational bodies should be elected by the bodies they represent and not by the two Houses of Parliament and the county councils as at present. This is a step in the right direction and if carried out should improve the quality of the Senate. Mr. de Valera no doubt regrets that having once abolished that body he revived it again in 1937.

#### The Internees

MR. DE VALERA's troubles are not, however, confined to the electoral system. Early in December fourteen political internees escaped from the Curragh internment camp and, in spite of an intensive search by military and police, were not recaptured. Shortly afterwards Mr. de Valera announced that any internee who accepted constitutional methods of agitation would be released. For some unexplained reason there later began a general, and apparently unconditional, release of the internees which has now been completed. It is understood that the Government took this step because they considered the emergency in which these people were interned had terminated and also because the internees themselves were divided as to policy and leadership. It is interesting to note that two of the I.R.A. prisoners in Northern Ireland were recently released, after severing their relations with that body because of the Roman Catholic Hierarchy's condemnation of its activities. One of them, Philip Clarke, had been held up as a paragon of patriotism and his defection was a sad blow to the extremists. Whatever the reason for the Dublin Government's action Mr. Macmillan, speaking at a Unionist gathering in Belfast on March 6, disclosed that he had instructed the British Ambassador in Dublin to express the British Government's disquiet at these events. He said that he fully shared the concern of the Northern Government at the action of Mr. de Valera's Government in releasing these terrorists and appreciated the threat which this illegal organization represented to the security of Northern Ireland. He also expressed the greatest admiration for the fortitude and restraint with which the loyal people of Ulster had endured these continuing acts of terrorism, which had only served to strengthen the ties binding them to Great Britain. The occasion and the manner of Mr. Macmillan's statement were alike inept. English politicians should surely have learnt by this that Partition is a matter which can only be settled by Irishmen in Ireland and that outside interference, especially when not fully informed, merely adds fuel to the fire and encourages the extremists. It was also of course a godsend to Mr. de Valera, who replied at once that Mr. Macmillan's statement was ill-advised and uncalled for. He pointed out, quite rightly, that the use or non-use of the powers of detention was a matter for the Irish Government alone, and that their decisions were based on their knowledge of the needs of the situation from time to time and their judgment of what was best calculated to serve the interests of peace and order. It is obvious in any event that these people could not be kept in confinement indefinitely without charge or trial. Their internment has, indeed, been already challenged under the Human Rights Convention. Our Government unfortunately signs international conventions without much consideration of their applicability to our conditions. Mr. Macmillan, commenting on Mr. de Valera's statement, said that he had no wish to intrude in the internal affairs of Ireland, but he was anxious that Eire should not intrude in the internal affairs of Northern Ireland.

A few days later two members of a Royal Ulster Constabulary patrol were seriously injured when their car was blown up by a land mine at Clogher, County Tyrone, near the Border. After the mine exploded the constables were fired on by an armed band, who retreated into the Republic. Fortunately both the injured men recovered. The I.R.A., for some unknown reason, disclaimed responsibility for this outrage although admitting their guilt as regards some minor explosions. The outrage was apparently planned and executed by the more extreme Saor Eire (Save Ireland) gang who operate in County Monaghan. It is almost certain that both these illegal organizations are receiving aid in the shape of arms and dollars from the Irish-American extremists, who have always been ready to finance other people's criminal activities. On March 15 Mr. de Valera, referring to this new outrage, said he felt he must say how much he and his Government deplored these recent happenings on the Border. They sympathized with the men who had been injured and thanked God there had been no loss of life.

These happenings [he said] make it necessary for me to state, lest there should be any misunderstanding or any misleading of our young people, that the release of those detained at the Curragh involves no change in the position of the Government in regard to illegal groups or illegal activities. No democratic government can tolerate within its territory the formation of any armed groups or any armed activities save those under its control. Accordingly, if these usurpations are about to continue the Government will be compelled to use every means at its disposal to prevent them.

These are wise words, but the inherent weakness of Mr. de Valera's position lies in the fact that his Government's aims are identical with those of the

extremists even though their methods are different, for both seek to subjugate Northern Ireland to their will. The Government's dilemma can only be resolved by a completely new approach to the matter, based on the full recognition of the status and viewpoint of Northern Ireland and a willingness to cooperate with its Government in all that concerns the interests of the whole country. It is hardly likely that such an approach will now be made by Mr. de Valera, whose political career is drawing to a close and who is unfortunately the prisoner of his past.

As has recently been aptly pointed out by Dr. Lucey, the Roman Catholic Bishop of Cork, neither the use of force by private groups nor the recourse to verbal warfare by our political leaders seems to have got us very far towards a united Ireland in the last forty years. "Love", he said, "is a more cohesive force than either force or hate, whether between nations or within one and the same nation." This, indeed, is the root of the matter.

## President O'Kelly in America

V/HILE these untoward events were happening in Ireland our President. Mr. Sean T. O'Kelly, on the invitation of President Eisenhower, was making an official visit to the United States. Mr. O'Kelly's visit to Washington, which appropriately began on St. Patrick's Day, was a great success. President Eisenhower met his guest wearing a green tie, and even the traditional "red carpet" turned green for the occasion. In his address to Congress, which gave him an enthusiastic "standing ovation", Mr. O'Kelly, whose speech was well prepared and delivered, reminded his audience that it was the first occasion on which a President of Ireland had addressed them and that it symbolized in a striking way the enduring friendship and close kinship between their two peoples. He recalled Benjamin Franklin's visit to the Irish Parliament in 1771, and Parnell's address to Congress in 1880, and expressed Ireland's gratitude for the sympathy and understanding of their American friends "which helped us, and still helps us, towards the goal for which we have always striven: Ireland united and free, in a genuine unity of heart and mind, rooted in a common sense of nationhood." Mr. O'Kelly later disclosed that he had endeavoured to enlighten Mr. Eisenhower on the problem of Partition, but that the latter "did not comment, he listened to me-like a wise man". Mr. O'Kelly, who was accompanied by his wife and Mr. Aiken, the Minister for External Affairs, subsequently visited Philadelphia, Boston, Chicago, New York and other American cities. His speeches throughout were a nice compound of emotion, sentiment and common sense, well calculated to please American ears, and his essential humanity and simplicity, with a touch of Irish humour in his extempore remarks, were obviously appreciated and enjoyed. The whole tour was a remarkable achievement for a man of 75 and a fitting end to his fourteen years of office. His expressions of goodwill and his general endorsement of American ideals and policy were well calculated to undo the unfavourable impression made in America by Mr. Aiken's vote at the United Nations Assembly in favour of permitting a discussion on the question of China's admission to that body. Under Mr. de Valera's guidance our foreign policy has been that

of Brer Rabbit-and, when "sayin nuffin" is no longer possible, policy is apt to be made by the person on the spot. Hence probably Mr. Aiken's attitude on China, which, whether justified or not, did not represent Irish opinion. Our outlook, however, is essentially isolationist. We refused for instance to join NATO because, as we alleged, it would involve recognition of the Irish boundary of the United Kingdom. But in fact we recognize that boundary every day, and our official policy is to bring about its removal by peaceful persuasion. The truth of course is that we do not want to join NATO because as a small nation we are naturally afraid of war and all that it implies. But, as the late Sir David Kelly asked a Cork audience not so long ago, do we really believe we can remain aloof from the next war? If our answer to that question is in the negative then we must also ask ourselves: are we justified in refusing to join NATO? Unfortunately we are as a nation ill-informed and indifferent as regards international affairs. The Department of External Affairs issues a well-edited weekly bulletin which provides a delightful, but quite uncritical, picture of our domestic affairs. Some accurate and up-to-date information on the activities and policies (if any) of our representatives abroad would be of greater value. Their good work, as for instance that of Mr. Gallagher in Holland quite recently, is little known to the general public. We have much to learn from the other small and efficient European countries.

#### **Economic Activities**

N the economic front recovery continues and last year's national accounts, in both finance and trade, show a more satisfactory position. The long-drawn-out attempt to establish a common trade-union organization for the whole country, comprising both Irish- and British-based unions, has at last succeeded. The unions have, however, terminated the national wage agreement, made in September 1957, which set up a ceiling of ten shillings a week for wage increases. The visible trade deficit for 1958 was £67,700,000, an increase of £14,900,000 on that of 1957, but our invisible exports have wiped out all save fit million of this deficit. The value of national production in 1958 increased by £21 million, but agricultural production fell by £11 million, and in real terms there was a decrease of 2 per cent in the national product. Our purchases from Great Britain exceed our sales to her by  $f_{7.9}$  million, and on a population basis we come an easy first amongst the countries with which she has a favourable balance of trade. Much satisfaction has been felt at the recent announcement that the British Government has granted us from six to seven years more to rid our cattle of bovine tuberculosis. Britain expects to be completely free of this disease by 1961, and five years afterwards imports of Irish cattle to Great Britain will be confined to attested animals. During this five-year period the importation of once tested cattle from Ireland to Britain will be allowed subject to the existing safeguards. But even with these concessions the present slow rate of eradication will have to be considerably speeded up if our cattle trade with Britain—which is our economic sheet-anchor—is to be preserved. The challenge is clear and the response depends on our farmers. The revenue from tourists rose in 1958, but railway losses increased although the new diesel trains have resulted in a saving of £1 million a year. It is foolish, however, to look for more tourists unless we can build more hotels. This raises another problem, for, as the tourist season is short, the return is not commensurate with the expenditure. Ambitious plans are on foot for the construction of factories at Shannon Air Port, and Aerlinte, the Irish transatlantic air line, has ordered three new Boeing 600 m.p.h. jet airliners at a cost of £ $4\frac{1}{2}$  million. B.O.A.C. have just announced that they intend to use Shannon again for one of their transatlantic routes.

The first steps have also been taken to implement the Government's new economic programme,\* and legislation has been introduced which will give authority for a total investment of £,23 million over a period of five years. This capital sum will be applied to develop shipping, turf, electricity, air services, the tourist industry and industrial development. Last year's bad harvest was a heavy loss to the farmers and has affected business conditions generally. It has also compelled us to make large imports of cheaper foreign wheat and so led to a reduction in the price of bread. The Government has agreed to compensate the wheat growers on a sliding scale according to the moisture content of their wheat, and has also agreed to compensate the Grain Board for the unmillable wheat that body purchased on government order. Ironically enough this compensation will be paid in part out of a sum of £,700,000 originally deducted from the wheat growers in anticipation of a millable surplus! The shipping slump, with the consequent fall in freight charges, has been responsible for large imports of American coal, which for the moment has practically replaced British coal on the Irish market. Another aspect of our fuel situation is being dealt with by the new oil refinery on Cork Harbour, which is about to go "on stream". It constitutes the largest capital investment yet made by a foreign enterprise in the Republic and it has been built in record time, largely by Irish labour. The emigration figures are at last apparently showing a downward trend, and this fall has not been accompanied as formerly by an increase in registered unemployment. This decrease may of course be due to a contraction of employment in Great Britain. On the whole one may, however, agree with the Central Bank, which reports that "the economy is now more soundly based and less vulnerable" and that "better progress is likely in the near future". Only for the bad harvest, and consequent grain imports, we should certainly have had a substantial balance-of-payments surplus in 1958. On the other hand, as the figures for the first quarter of 1959 show, our visible trade deficit is again increasing. There is, therefore, no ground for complacency.

# A Good Budget

DR. RYAN, our Minister for Finance, as was inevitable, has followed cautiously in Mr. Amory's footsteps. In his third Budget, introduced on April 15, he has granted, in his own words, "genuine and substantial reliefs". With a small estimated surplus of £89,000 and an optimistic allowance for over-estimation of £2 $\frac{1}{2}$  million, the Minister estimated that he had

<sup>\*</sup> See THE ROUND TABLE, No. 194, March 1950, pp. 173 et seq.

of Brer Rabbit—and, when "sayin nuffin" is no longer possible, policy is apt to be made by the person on the spot. Hence probably Mr. Aiken's attitude on China, which, whether justified or not, did not represent Irish opinion. Our outlook, however, is essentially isolationist. We refused for instance to join NATO because, as we alleged, it would involve recognition of the Irish boundary of the United Kingdom. But in fact we recognize that boundary every day, and our official policy is to bring about its removal by peaceful persuasion. The truth of course is that we do not want to join NATO because as a small nation we are naturally afraid of war and all that it implies. But, as the late Sir David Kelly asked a Cork audience not so long ago, do we really believe we can remain aloof from the next war? If our answer to that question is in the negative then we must also ask ourselves: are we justified in refusing to join NATO? Unfortunately we are as a nation ill-informed and indifferent as regards international affairs. The Department of External Affairs issues a well-edited weekly bulletin which provides a delightful, but quite uncritical, picture of our domestic affairs. Some accurate and up-to-date information on the activities and policies (if any) of our representatives abroad would be of greater value. Their good work, as for instance that of Mr. Gallagher in Holland quite recently, is little known to the general public. We have much to learn from the other small and efficient European countries.

#### **Economic Activities**

N the economic front recovery continues and last year's national accounts, in both finance and trade, show a more satisfactory position. The long-drawn-out attempt to establish a common trade-union organization for the whole country, comprising both Irish- and British-based unions, has at last succeeded. The unions have, however, terminated the national wage agreement, made in September 1957, which set up a ceiling of ten shillings a week for wage increases. The visible trade deficit for 1958 was £67,700,000, an increase of £14,900,000 on that of 1957, but our invisible exports have wiped out all save fi million of this deficit. The value of national production in 1958 increased by £21 million, but agricultural production fell by fix million, and in real terms there was a decrease of 2 per cent in the national product. Our purchases from Great Britain exceed our sales to her by £7.9 million, and on a population basis we come an easy first amongst the countries with which she has a favourable balance of trade. Much satisfaction has been felt at the recent announcement that the British Government has granted us from six to seven years more to rid our cattle of bovine tuberculosis. Britain expects to be completely free of this disease by 1961, and five years afterwards imports of Irish cattle to Great Britain will be confined to attested animals. During this five-year period the importation of once tested cattle from Ireland to Britain will be allowed subject to the existing safeguards. But even with these concessions the present slow rate of eradication will have to be considerably speeded up if our cattle trade with Britain—which is our economic sheet-anchor—is to be preserved. The challenge is clear and the response depends on our farmers. The revenue from tourists rose in 1958, but railway losses increased although the new diesel trains have resulted in a saving of £1 million a year. It is foolish, however, to look for more tourists unless we can build more hotels. This raises another problem, for, as the tourist season is short, the return is not commensurate with the expenditure. Ambitious plans are on foot for the construction of factories at Shannon Air Port, and Aerlinte, the Irish transatlantic air line, has ordered three new Boeing 600 m.p.h. jet airliners at a cost of £ $4\frac{1}{2}$  million. B.O.A.C. have just announced that they intend to use Shannon again for one of their transatlantic routes.

The first steps have also been taken to implement the Government's new economic programme,\* and legislation has been introduced which will give authority for a total investment of £23 million over a period of five years. This capital sum will be applied to develop shipping, turf, electricity, air services, the tourist industry and industrial development. Last year's bad harvest was a heavy loss to the farmers and has affected business conditions generally. It has also compelled us to make large imports of cheaper foreign wheat and so led to a reduction in the price of bread. The Government has agreed to compensate the wheat growers on a sliding scale according to the moisture content of their wheat, and has also agreed to compensate the Grain Board for the unmillable wheat that body purchased on government order. Ironically enough this compensation will be paid in part out of a sum of £,700,000 originally deducted from the wheat growers in anticipation of a millable surplus! The shipping slump, with the consequent fall in freight charges, has been responsible for large imports of American coal, which for the moment has practically replaced British coal on the Irish market. Another aspect of our fuel situation is being dealt with by the new oil refinery on Cork Harbour, which is about to go "on stream". It constitutes the largest capital investment yet made by a foreign enterprise in the Republic and it has been built in record time, largely by Irish labour. The emigration figures are at last apparently showing a downward trend, and this fall has not been accompanied as formerly by an increase in registered unemployment. This decrease may of course be due to a contraction of employment in Great Britain. On the whole one may, however, agree with the Central Bank, which reports that "the economy is now more soundly based and less vulnerable" and that "better progress is likely in the near future". Only for the bad harvest, and consequent grain imports, we should certainly have had a substantial balance-of-payments surplus in 1958. On the other hand, as the figures for the first quarter of 1959 show, our visible trade deficit is again increasing. There is, therefore, no ground for complacency.

# A Good Budget

 $\mathbf{D}^{R.}$  RYAN, our Minister for Finance, as was inevitable, has followed cautiously in Mr. Amory's footsteps. In his third Budget, introduced on April 15, he has granted, in his own words, "genuine and substantial reliefs". With a small estimated surplus of £89,000 and an optimistic allowance for over-estimation of £2½ million, the Minister estimated that he had

<sup>\*</sup> See THE ROUND TABLE, No. 194, March 1950, pp. 173 et seq.

a sum of £2,589,000 available for this purpose. He proceeded to reduce the standard rate of income tax by 6d. to 7s.; to raise the starting point of surtax from £1,500 to £2,000 and to grant personal allowances in respect thereof; to abolish a large number of import levies and to reduce others; to increase old age, blind and widows' pensions, as well as unemployment assistance to married persons, by 2s. 6d.; to increase state pensions granted before 1952; to reduce entertainment tax on cinemas and dance halls, and to abolish the tax on greyhound racing and boxing. In addition he granted a 21 per cent wear-and-tear allowance for capital expenditure and an obsolescence allowance where plant or machinery is not replaced. Ship repairs are to be given the same tax reliefs as exports, and harbours are to be brought within the scope of the tax-relieving provisions. PAYE is to be introduced next year. During the last thirty years taxation has increased by 44 per cent and the National Debt by £368 million. It is to be hoped that this Budget indicates a new trend which is long overdue. Whether it can be maintained depends on our own industry, intelligence and thrift.

Ireland, May 1959.

# PAKISTAN

## REVOLUTION ON THE LAND

IN the popular conception the bloodless revolution in Pakistan took place with the imposition of Martial Law in the country on October 7, 1958. But if a change in a people's way of life is more important than a change of government, then the revolution really started with the new régime's decision

to introduce agrarian reforms in the country.

Agriculture in Pakistan is not only a source of subsistence, but a way of life for rural society. The possession of agricultural land is, therefore a universal urge and the land, aside from its economic benefits, is associated with particular social values. The social status of a man is thus determined by his status in terms of landed property and his right to the use of holdings. The ownership of land has accordingly come to be regarded as a symbol of prestige and its management as an instrument of power and influence.

Invested with special privileges, because of their ownership of vast areas of land, the landlords in West Pakistan had formed themselves into a kind of oligarchy and were able to exert immense political pressure in the affairs of the country. The 6,000 or so landlords of West Pakistan held under their complete sway over 35,000,000 of their fellow men who were connected with their lands in one way or another. The previous governments of the country were primarily and mainly the governments of the landlords, by the landlords and for the landlords. Under the circumstances universal adult franchise became a meaningless conferment of a privilege on a people who could only exercise it with the consent and direction of the landlords. How could any system of democracy have ever flourished in any country under these conditions? The present agrarian reforms, which allow an individual a maximum of 500 acres of irrigated land or 1,000 acres of unirrigated land, will not only remodel the socio-economic structure of West Pakistan, but will also accelerate the transition from a feudal to a democratic society and will, by conferring proprietory rights on the tillers, give them a sense of belonging and an incentive to work for better yields.

A reproduction of some facts and figures in this article will give some idea of the evils of landlordism, which, beside causing untold suffering to the masses of West Pakistan, constituted the biggest single factor in retarding a

healthy growth of the country's economy.

In the present stage of its development Pakistan is dependent mainly on agriculture. About 90 per cent of the country's rural population is dependent directly or indirectly on agriculture and nearly 75 per cent of the civilian labour force is engaged in this profession; about 60 per cent of the total national income is derived from agriculture and nearly 95 per cent of the total foreign exchange earnings are contributed by it.

East Pakistan has been considerably ahead of West Pakistan in the field of land reform. Even before the partition of the sub-continent certain steps had been taken in this direction, and the provincial government is now removing

all bottle-necks in implementation of various land reforms. It was, however, in West Pakistan that the need for agrarian reforms was much more

pressing.

According to the Punjab Tenancy Laws Inquiry Committee, 1949, about 80 per cent of the owners owned less than one-third of the cultivable area, while 0.5 per cent of them owned more than one-fifth of the area. In the former North-West Frontier Province, 0.1 per cent of owners owned one-fifth of the total area in lots of 500 acres each. In the former province of Sind 1 per cent of the occupants possess as much as 30 per cent of the total occupied land in holdings of more than 500 acres each, as against 60 per cent of the total occupants possessing only 12 per cent of the area in lots of less than 15 acres each.

Again the statistics compiled by the National Planning Board (now Planning Commission), reveal that while at one end of the scale 3,300,000 people (65 per cent of owners) possess about 7,400,000 acres of land (15 per cent), a little more than 6,000 people (0·1 per cent) own as much as 7,500,000 acres (a little over 15 per cent) in properties of more than 500 acres each.

The above statistics, revealing in themselves, do not tell the whole story. Undoubtedly the ownership of smallholdings or unwieldy big holdings had many drawbacks, as will be shown later. But a further impediment to satisfactory crop yields was the land tenure system. At the top of the system was the big landlord who owned, in his individual capacity, an entire estate or large landed property. Next came the peasant proprietor who owned, compared to the landlord, a very small area which he cultivated himself with the help of the members of his family or through hired workers. Below the peasant proprietor came the tenant or the non-owner cultivator. He had generally no permanent interest in the land he cultivated. Last came the casual agricultural worker, who was indistinguishable from any other hired labourer except that he was more ill-organized.

Now as a rule the big landlord, more than satisfied with the income from his holdings, took little interest in the development of his lands. Content with getting his lands cultivated by the tenants, who paid rent in cash or kind or both, the landlord invested very little of his income in agricultural production, and thus the technique of production remained as primitive as ever. The tenant on the other hand had no certainty about his tenure of land. Naturally he could not find full scope for his energies unless the fruits of his labour were guaranteed to him. He had to be roused by a sense of ownership in

the land.

So far as these conditions obtained, it was not possible to improve the country's food position. This observation is corroborated by the fact that, even though the area in West Pakistan had increased from 24,700,000 acres in 1948-49 to 28,100,000 in 1956-57, the production had almost remained stationary. In fact, per caput production had declined. Salinity and waterlogging, ravages of floods, scarcity of water and unfavourable weather are the causes most often enumerated for unsatisfactory crops, but structural defects in the composition of rural society have contributed not a little to the food shortage in the country during the last few years. Other considerations

apart, the problem of the rapid increase in the country's population made it imperative to introduce land reforms, so as to bring every available acre of land under the plough and get the maximum yields.

Apart from fixing the ceilings of land holdings, the land reforms, now being carried out, have provided for consolidation of fragmented holdings, conversion of tenancy into ownership and redistribution of resumed lands. As a result, it is expected that in the foreseeable future Pakistan will not have to depend on imports of foodgrains, which had made the country's foreign exchange position extremely precarious.

In brief, the land reforms will not only ensure wholesome adjustments in the agrarian economy based upon social justice, but in the ultimate analysis will also have a profound and beneficial influence upon the entire economy.

As soon as the land and other major reforms have really got going a constitutional commission of about a dozen members will be set up, all of whom will be appointed by the Government. The draft constitution will then be submitted to a plebiscite, held in two stages. In a recent interview President Ayub hoped that the commission will be set up by November this year.

#### Two Notable Incidents

TWO events have stood out distinctly apart from the general tenor of developments in Pakistan. The first was the shooting down of an Indian Air Force Canberra bomber by Pakistani jet fighters near Rawalpindi, the army headquarters and defence nerve centre of the country. The second was the dissolution of the Board of Directors of the Progressive Papers Ltd., Lahore, which owned and published the English daily Pakistan Times, Lahore, the Urdu dailies Imroze, Lahore and Karachi, and the Urdu weekly Lail-o-Nahar, Lahore.

It was on the day of Eid-ul-Fitr—April 10—that an Indian Air Force Canberra intruded deep into Pakistani territory on a photographic reconnaissance of military targets. It was intercepted by two Pakistani Sabre jets and was ordered to follow them and land. It refused to obey orders and after necessary warnings had been given was shot down.

Eid-ul-Fitr is the biggest festival in the Muslim Calendar. The day marks the end of the holy month of Ramazan throughout which Muslims all the world over fast from a little before daybreak to a little after sunset. The day starts with thanksgiving prayers early in the morning and visits to ancestral tombs, followed by family reunions, exchange of greetings and felicitations and universal rejoicings. The fact that it was precisely on this day and early in the morning that the Indian bomber "strayed" into Pakistan has only underlined the generally held view that someone somewhere had assumed that on the all-important Eid holiday the Pakistani Air Force would be taking it easy.

Perhaps it would not have been necessary to go further in the matter but for the warning by India's Defence Minister, Mr. Krishna Menon, that his Government would have to consider seriously whether Indian aircraft should be armed in future. In making such a statement before the Indian Lok Sabha, Mr. Menon was really betraying himself. The mere contemplation of such

a step suggests that Indian bombers might continue to "stray" in Pakistan in future. Where lies the need to arm them if they are to fly over their own territory?

The action against the Progressive Papers Ltd. followed an Ordinance issued by the President of Pakistan on April 18, amending the Security of Pakistan Act so as to enable the Government to curb foreign-subsidized newspapers. An official handout issued by the Central Government said that as early as 1954 "ample testimony had come forth to establish" that some publishing concerns "did not only receive their guidance and direction from sources outside Pakistan, but also had clandestine affiliations with some foreign Powers and received surreptitious aid from them both in cash and kind". The previous régimes had known it but "suffered themselves to be bullied and blackmailed by some powerful elements behind these undertakings who had jockeyed themselves into positions from where they could influence the balance of shifty parties and politics".

The handout added that since the Revolution the new régime had "carefully reverified the data" and was satisfied that even today foreign direction and subsidy were continuing and seeking "to promote an ideology subversive to the best interests of Pakistan". The Pakistan Press Commission, whose report is now under consideration by the Government, had also concluded that certain foreign sources were exercising "a considerable amount of influence on the policy of some newspapers to induce them to espouse causes detrimental to the interests of the country". The handout concluded with the observation that "the Government values the freedom of the press, and it believes, as do all patriotic citizens of Pakistan, that newspapers lose their freedom when they accept foreign influence and guidance".\*

The Centre's action against the Progressive Papers Ltd. is symptomatic of its determination to incapacitate subversive elements from exercising any influence in the affairs of the country. The Government has dissolved the Board of Directors, but has taken all steps to ensure the continuity of the publications owned by the Progressive Papers. Until such time as a more representative Board of Directors is elected, Mr. M. Sarfaraz, lately Deputy Secretary General of the Baghdad Pact, will administer the affairs of the

Progressive Papers Ltd.

Pakistan, May 1959.

<sup>\*</sup> The Commonwealth Press Union, which has asked the Pakistani High Commissioner in London for fuller information on this case, does not regard the fact or suspicion of foreign subsidy as a relevant reason for government action against a newspaper. According to the doctrine consistently maintained by the Union, the liberty of the press in a free country means the right of every subject to print or read all facts and opinions, however repugnant to the ruling authorities, provided only that the writer or editor bears full criminal and civil responsibility for all wrongs—such as seditious, blasphemous, obscene or defamatory libel-actually committed in exercising the right and proved in a court of law. Even an argument set forth at the bidding of a foreign paymaster should still be given a hearing and judged on its merits.-Editor.

# CANADA

## AN ENCUMBERED CABINET

THE Federal Parliament of Canada reassembled after a short Easter recess L on April 6 with so little of its sessional program accomplished that there will have to be a marked acceleration of its despatch of business if the hope that Queen Elizabeth can perform the ceremony of prorogation before she ends her Canadian tour is to be realized. The sudden death of Mr. Sidney Smith, the Secretary for External Affairs, has deprived the Cabinet of a senior Minister, who was popular with all parties. After a very successful academic career, during which he was head of two Canadian universities, Dr. Smith was given a chance to gratify political ambitions, which he had long cherished, but he was too old when he entered public life to become a politician of the first rank. He proved a competent administrator of his department but some of his earlier performances in Parliament and other public utterances were so maladroit that he was the target of severe criticism. However, he was in full accord with the enlightened views of his predecessor, Mr. Lester Pearson, upon international affairs, and did not deviate seriously from the foreign policy prescribed by the latter. He was gradually acquiring a surer touch about his problems, when his career was cut short. For the moment Prime Minister Diefenbaker is keeping the Secretaryship for External Affairs in his own hands.

The problem of finding an adequate successor for Mr. Smith presents some difficulties, because the two men best qualified for the post, Mr. Fulton, the Minister of Justice, and Mr. Michener, the Speaker of the House of Commons, are filling their present offices so admirably that they could not be easily replaced. There are recurring rumors of a reorganization of the Cabinet, in which some of its older members like General Pearkes, the Minister of National Defence, and Mr. Brooks, the Minister for Veterans' Affairs, are obviously feeling the burden of their years, and the representation of French Canada is notoriously weak, but unfortunately the first two sessions of the present Parliament have revealed very few recruits of marked ability among the large band of new Tory members, whom the elections of 1957 and 1958 sent to Ottawa. Probably this dearth of fresh political talent accounts for Mr. Diefenbaker's prolonged delay in using the authority, which he possesses, to appoint 14 parliamentary assistants who would fill the same roles as Under-secretaries in the British Government.

During the first part of the session Ministers have been mainly on the defensive, since the two parties in opposition, the Liberals and the C.C.F., made free and vigorous use of the abundant ammunition they had available for attacks upon ministerial policies. Unemployment, the state of the national finances, the plight of agriculture, relations with the United States and foreign policy provided material for controversies and the Opposition usually had sufficient debating talent to hold its own in the Commons with the Govern-

ment's overwhelming majority, but was always heavily defeated when a division was taken, since so far only one supporter of the Government, Mr. Van Horne of New Brunswick, has openly manifested a rebellious spirit. Mr. Diefenbaker's interventions in debate have been spasmodic but usually effective, and the main burden of stating the Government's case and rebutting the charges of the Opposition has fallen upon Mr. Green, Minister of Public Works, who is deputy-leader of the House, Mr. Fleming, the Minister of Finance, Mr. Harkness, the Minister of Agriculture and Mr. Nowlan, the Minister of National Revenue.

The leader of the Liberals would be a better match for Mr. Diefenbaker in debate if he had a sharper edge to his tongue and would employ the weapon of humorous ridicule in dealing with rhetorical pontifications, to which the Prime Minister is addicted. His best lieutenant has been his former colleague in the St. Laurent Ministry, Mr. Paul Martin; but he has also received valuable assistance from two other ex-Ministers, Mr. Pickersgill and Mr. Chevrier, and from Mr. Benedickson, who has shown considerable ability as his party's spokesman on financial affairs. The leader of the C.C.F., Mr. Argue, has given further proof that he is not merely a specialist on agricultural problems and can make intelligent speeches on foreign affairs; and he has been ably seconded by Mr. H. W. Herridge, who is one of the few real wits in the present House of Commons. But the other parties accuse the small group of Socialists of trying to atone for their feeble numerical strength by unnecessary loquacity. So far the atmosphere of the House of Commons has been very tranquil and few stormy exchanges have occurred; but a great deal of legislation and practically all the estimates have still to be dealt with. A large part of the legislation is of a non-controversial nature, but the Bill which is designed to create a Federal Energy Commission is being violently opposed by the leaders of the oil and gas industries and may not have an easy passage. During the session the practice, a recent innovation at Ottawa, of entrusting the dissection of the votes of various departments to special committees of the House of Commons has been continued with profitable results. In the Senate, which has enjoyed periodic adjournments through lack of business, the 17 Tory members are quite incapable of coping adequately in debate with the serried phalanx of 74 Liberal Senators; but the leaders of the latter are averse from adopting a militantly hostile attitude towards the Government's policies and have applied restraining hands to the design of a group of younger colleagues for a full-dress investigation of the state of the national finances by a special committee of the Senate.

## Newfoundland Aggrieved

PREDICTIONS freely made when Newfoundland was in 1948 admitted to the Canadian Confederation as its tenth Province, that the island would prove a constant source of worry and trouble to Federal Governments at Ottawa, are now being fulfilled through a state of embittered relations which has developed between the Diefenbaker Ministry and the provincial Ministry of Premier Smallwood, a Liberal, who seems to be supported by many Progressive-Conservatives. The quarrel originated in a strike of workers

in the logging camps of a pulp and paper company, the Anglo-Newfoundland Development Co., originally an enterprise of the Harmsworth interests, whose plant is at Grand Falls in the heart of the island. The wages paid to its loggers, \$1.05 per hour for a week of 60 hours, were very low by Canadian standards; and when an award of an industrial conciliation board, which gave the workers an increase of 5 cents per hour and urged a reduction of the working week to 54 hours without loss of pay, was rejected by the Company on the ground that it could not afford this rise in wages, most of its loggers, who had been organized by the International Woodworkers' Union, went on strike. When the strikers resorted to violent interferences with such employees of the company as had refused to join them, detachments of the provincial police and the Royal Canadian Mounted Police were sent to Grand Falls to maintain law and order; and in a series of clashes which these police had with the strikers a constable was killed and numerous people were injured.

Thereupon Premier Smallwood secured the support of the Progressive-Conservative members of the legislature for the unanimous passage of a Bill, which decertified the International Woodworkers and thereby abolished its

right to function as a bargaining agency for labor.

The Canadian Labor Congress, of which the International Woodworkers' Union is an adherent, immediately protested against this measure as a violation of basic human rights and applied strong pressure upon the Diefenbaker Ministry to exercise its constitutional power to disallow provincial legislation of this objectionable type, and to appoint a Royal Commission to investigate the situation in Newfoundland. Mr. Diefenbaker and his Cabinet resisted this pressure, but, adopting a position of neutrality, refused to sanction a reinforcement of the detachment of the Canadian Mounted Police stationed in Newfoundland. Thereupon Chief Commissioner Nicholson, the head of the police who had advocated the reinforcement, tendered his resignation. Matters were not improved when Mr. Diefenbaker suddenly announced that the special grants which the Federal Treasury had been paying to Newfoundland since 1948 for the purpose of aiding it to maintain social services of the same standard as prevailed in other provinces would cease after 1962. Since a Royal Commission, which had been appointed to investigate the financial problems of Newfoundland and its fiscal relations with Ottawa, had recommended an indefinite continuation of these grants, Premier Smallwood denounced the decision of the Federal Government as a gross breach of faith and a disgraceful betrayal of Newfoundland, and reinforced his protest by the dramatic gesture of ordering that there should be a day of mourning over the whole island and that all public buildings should be draped in black. He then travelled to Ottawa and, treating Mr. Diefenbaker's invitation to a conference with silent contempt, applied with considerable success his great talents as a demagogue in a TV appearance, a press conference and a public speech to assail the Diefenbaker Ministry for its harsh treatment of Newfoundland and demand immediate redress for its wrongs. He avows that he has no intention of withdrawing the island from Confederation; but apparently he has the almost solid backing of the people of Newfoundland, and Mr. W. F. Browne, who represents Newfoundland in the Federal Cabinet without a portfolio is quite incapable of coping with him. There is a suspicion that the Diefenbaker Ministry saw some political profit in letting a prominent Liberal leader antagonize Canada's chief labor organization by suppressing a union; and naturally Mr. Smallwood's courses have been very unpalatable to Mr. Pearson.

## The Budget

THE Federal Budget, submitted to the House of Commons by Mr. I Fleming, the Minister of Finance, on April 9, revealed a rather better balance sheet for the fiscal year 1958-59 just ended than had been expected, but it also confirmed predictions that the Diefenbaker Ministry would face considerable financial trouble during the current fiscal year and have to budget for another large deficit. Because the recovery of business, which had begun last autumn, had raised the total yield of the revenues to 120 million dollars more than the forecast of the last Budget and he was able to appropriate on the credit side an unspent fund of 212 million dollars held by the Department of National Defence, Mr. Fleming for the fiscal year 1958-59 had available 4,770 million dollars of revenue to meet total expenditures amounting to 5,387 million; and therefore the deficit, which he had forecast at 700 million dollars, was kept down to 648 million dollars. The main estimates for the fiscal year 1959-60, which began on April 1, had proposed expenditures totalling 5,845 million dollars; and on the premise that the value of gross national production would rise by 7 per cent in 1959, the estimate of the yield of revenues under the existing structure of taxation was placed at 5,165 million dollars, which would have left a deficit of 680 million dollars. But the Minister had also to correct the unsatisfactory position of the Old Age Security Pension Fund, whose operations had shown a deficit of 185 million dollars in 1958-59; accordingly he proposed increases of taxation, which are expected to produce 352 million extra dollars in a full fiscal year, but since some of them will only come into effect on July 1, only 245 millions in the current year. So Mr. Fleming, estimating that the yield of revenues would rise to 5,660 million dollars and total expenditures would amount to 5,267 million dollars, forecast another deficit of 393 million dollars.

There will be an increase of 2 per cent on each item of the rates of personal tax for everybody whose taxable income is in excess of \$3,000, and this limitation will leave 80 per cent of the taxpayers exempt from it. The rate of the income tax on corporations whose profits exceed \$25,000 per annum is raised from 45 to 47 per cent but the rate of 20 per cent on the first \$25,000 of profits is unaltered. For financing the Old Age Security Fund levies of an additional 2 per cent on personal incomes, earnings of corporations and sales subject to the general sales tax had been in operation, but each of these has now been raised to 3 per cent. There are increases of 2 per cent on the excise tax on cigarettes, of \$1 per 1,000 on the excise duty on cigars and of \$1 per gallon on spirits, while there are some other miscellaneous changes in the sales tax and excise taxes and additional deductions for medical expenses are authorized.

Comparatively few changes in the customs tariff are proposed by the

Budget, but most of them have a protectionist tinge. An increase has been decreed in the rates of the seasonal duties on certain fruits and vegetables which had been enacted for the protection of Canadian producers, and in some cases the period specified for their application has been enlarged. Then for the purpose of implementing a pledge given last year, when the rates of the preferential duties levied on imports of woollen and worsted fabrics from Britain were increased, that the preferential advantage of which British exporters had thereby been deprived, would be restored as soon as possible, the "most favored nation" rates of duty on such fabrics are raised to the level required for its restoration. A clause in the Budget, which ordains that hereafter the word "machinery" will have the meaning of the word "machines", has behind it a design to create six new tariff items covering specialized types of machines—power shovels, power cranes, paper machines, electricity-generating sets, vending machines and forklift trucks; and it is suspected that this change will pave the way for higher protection against certain imports. A longish list of articles like orthopaedic and chiropractic chairs, earth-moving scoops and negatives and exposed films used for the illustration of news are made duty-free, and there is a reduction of rates on some fabrics, wines, perfumes and marble productions. The Budget placed the net national debt on March 31 at 11,686 million dollars, which represented an increase of 640 million dollars over the figure for March 31, 1958— 11,046 million dollars.

From the Canadian press and public the Budget has had a mixed reception, colored to a certain degree by personal interest or partisan bias. The increase of their protection naturally pleases the woollen manufacturers and the growers of fruits and vegetables, but the increases in the income taxes and the general sales tax are unpopular with the sufferers from them. Moreover, since they are in some cases already being passed on to the consumers they cannot fail to increase costs of living and production and aggravate inflationary pressures. So the *Toronto Globe and Mail*, hitherto one of the Government's strong supporters in the press, has condemned them in these words.

They will increase prices and costs in every sector of Canada's economy. They will make Canadian goods dearer and less competitive at a time when the Budget speech tells us that unless we can keep our costs of production in line with those of other important countries, we will find it increasingly hard to sell our goods abroad and to meet the competition of foreigners in our domestic market.

And this paper's general verdict upon the Budget is that it represents a struggle to finance the cumulative commitments of the Diefenbaker Ministry but shows no serious effort to evolve the sound fiscal policy which the present plight of Canada needs. In the debate on the Budget which has just ended, Mr. Fleming and other Liberal speakers defended it on the ground that it would help the process of economic recovery, that it did not increase the tax burdens of the poorer classes, that the deficits were quite manageable and that the per caput volume of taxation and debt was not heavier than it had

been a decade ago, because there had been a large increase of the country's population and a great expansion of its wealth. But the Liberals and the C.C.F. have repudiated these claims and argued that the increases of taxation make a mockery of the repeated declarations of Prime Minister Diefenbaker and many of his colleagues during the last two election campaigns that they could make large reductions in expenditures and find money for raising the scales of pensions and other benefits of the program of social security without increasing taxation. The heads of the labor movement describe the Budget as "retrogressive" and the leaders of the farmers say that it does nothing to better their fortunes. Considerable doubts are also cast by authoritative economists and leaders of business upon the validity of Mr. Fleming's assumption that a substantial increase of revenues will accrue in 1959, through a rise in the value of gross national production in 1959 by 7 per cent over the level of 1948.

#### The Provinces

MEANWHILE there are interesting developments in certain of the Provinces. In Manitoba a provincial election held last summer resulted in the defeat of the Liberal-Progressive Party, which had held power continuously since 1922; but the Progressive-Conservative Ministry formed by Mr. Duff Roblin has been leading a precarious existence, because in a legislature of 57 members it had only 26 supporters, against 19 Liberals, 10 members of the C.C.F. and 1 Independent. So a defeat in the legislature by a combination of his opponents was not unwelcome to Premier Roblin, who immediately obtained a dissolution and is appealing for a decisive mandate on the strength of a record of useful reforms and a commitment for the vigorous development of Manitoba's northern hinterland. The result of the election is uncertain, but Mr. Roblin is an able politician and personally popular, and the political experts think that a number of voters who opposed him in 1958 will now be disposed to give him a chance to govern with a clear majority.

In Quebec Premier Duplessis and his Union Nationale Party are still in overwhelming control of the legislature, but Mr. Duplessis's health is reported to be failing and his prestige has also suffered a severe blow through a recent decision of the Supreme Court of Canada. Some years ago, when Duplessis found that one Roncarelli, the owner of a restaurant in Montreal, was putting up bail for a number of the sect called "Jehovah's Witnesses" who had been arrested, he ordered the Quebec Liquor Commission to cancel Roncarelli's licence, with the result that the latter's business was ruined. When Roncarelli sued for damages, he failed in the courts of Quebec, but Professor Frank Scott, of the Law School of McGill University, pleaded his case so brilliantly before the Supreme Court at Ottawa that by a decisive majority it pronounced Duplessis's action indefensible and awarded Roncarelli damages and costs totalling about \$35,000. Accordingly this rebuke to Duplessis's autocratic methods and revelations about administrative scandals have raised hopes among Duplessis's opponents that growing discontent with his dictatorial practices has at last made his position vulnerable; but it is fortunate for him that these opponents are divided into four groups, the Liberals who form the official opposition under the leadership of Mr. Jean Lesage, formerly a Federal Minister, the Social Democratic Party, which is affiliated with the C.C.F., a Civic Action league headed by Mr. Jean Drapeau, lately Mayor of Montreal, and an organization called Reassemblement, composed mainly of young French-Canadian intellectuals, who have banded themselves together to fight political corruption and promote useful reforms.

However, moves are now being made to achieve a working alliance between the anti-Duplessis forces for a provincial election, which is expected to be held in 1960. Representatives of each of the groups in opposition have recently published a manifesto, in which they urge that they should try to form a combined front against Duplessis, that while preserving their separate identities they should agree upon a program that all could support, and that steps should be taken to ensure that in each constituency the Union-Nationalist candidates should be faced by only one opponent. It is an interesting fact that French Canada has produced the only two active left-wing politicians in the whole country who can be classified as wealthy: Madame Therese Casgrain, the widow of a Liberal Minister at Ottawa and a very charming and able woman, is one of the leaders of the Social Democratic Party and M. Pierre E. Trudeau, who inherited a very large fortune from his father, is one of the directing spirits of the Reassemblement. Some years ago he resigned from the Department of External Affairs in order to devote his time and energies to a campaign for decent government in Quebec. He publishes a little monthly review at his own expense and he helps the labor unions with their problems. He is completely bilingual and writes excellent English: an article from his pen entitled "Obstacles to Democracy in Quebec" which was published last August in the Canadian Journal of Political Science, attracted great attention. In it he made a devastating exposure of the political frailties of his racial compatriots since the Conquest; he asserted that they had always been primarily concerned with their Roman Catholic faith and their ethnic rights, that for their own selfish ends they have been persistent blackmailers of Canada's two historic parties, that, while there had been long periods of serious corruption in the politics of Quebec, none of them had reached the low level of depravity visible under Duplessis's régime and that it had been condoned disgracefully by the two great organs of the English-speaking community in the province, the Montreal Gazette and the Montreal Star.

Canada, May 1959.

# SOUTH AFRICA

#### DR. VERWOERD'S FIRST SESSION

AT the time of writing, the South African Parliament is half-way through the first full session under the leadership of Dr. Verwoerd and the expected fireworks have only begun to go off. The session began quietly, even languidly, and until the recess there was little in the conduct of business or in the business itself to confirm fears that under the uncompromising Dr. Verwoerd the parliamentary system in the Union would be subjected to strain.

But the pre-recess lull proved illusory. Either by accident or design all the controversial proposals for the session were kept off the Order Paper and now are scheduled for the crowded latter part of the session. When the House of Assembly met members were plunged into the first of what promises to be a series of the bitterest and hardest-fought debates of even the past strenuous decade. The battle on an issue of major principle was joined over the Bill to create separate universities for the Coloured people and for each of a number of ethnic groups among the African people. The Opposition accepted the desirability in principle of special university facilities for the non-White peoples, but violently opposed the corollary that these non-White peoples should be prohibited by law from attending the so-called "open" universities, of the Witwatersrand and Capetown.

Dr. Verwoerd's Government showed itself to be adamant and the Bill, substantially unchanged from the form in which it made its appearance last year, is apparently to be forced through. This is in spite of signs of disquiet among some of its own members and the explicit opposition of a number of Nationalist academicians who gave evidence before the Commission which considered the original Bill. The second reading was taken after days of vigorous debate and after a final sitting which began on a Friday afternoon and lasted through the night until Saturday midday. While the debate raged violently the "open" universities staged spectacular protests; and protests poured into South Africa from hundreds of universities and scholars from all parts of the world. But these academic protests were as unavailing as the vigour and eloquence of the Opposition. The Government's attitude can perhaps be measured by a speech outside Parliament by Dr. Verwoerd, in which he bluntly declared that all protests from whatever source are automatically consigned to his wastepaper basket.

Dr. Verwoerd seemed to have made the university issue a major question of confidence. At any rate, on the second-reading division, no fewer than 100 Nationalist members answered the whip, the three absentees being accounted for by the Speaker, the illness of Mr. Erasmus in London and a vacancy in the representation of a seat at Windhoek.

A few days after the marathon debate on the Universities Bill the strong arm of Dr. Verwoerd made its expected appearance. This took the form of

a parliamentary gag which is new to parliamentary procedure, in South Africa at least. It has variously been called an omnibus, a blanket and a multibladed guillotine. A hundred hours of debating time were allotted to all the stages of the four controversial Bills on the government programme. The Opposition resisted what it described as an unprecedented inroad into parliamentary traditions, but the closure at the end of a few hours of stormy debate established the timetable.

The four Bills affected by this restriction of debate are (1) the Universities Bill mentioned above; (2) a Bill to give the Minister of Labour unlimited power to decree the numbers of non-Whites who shall be employed in industry, the work on which they shall be employed and the work on which they shall not be employed; (3) a Bill to bring the non-White university college of Fort Hare into line with the tribal colleges in respect of control by the Government, separation of the races and so on; and, most significant of all, (4) a Bill purporting to promote self-government among the Bantu and at the same time abolishing the direct representation of Natives in Parliament by the three Natives' Representatives and the four elected senators.

This Bill is the sequel to what has been called Dr. Verwoerd's "new vision" for South Africa. A White Paper which has been issued could be read as indicating that the present Native Reserves were to be set on a path leading ultimately to self-government. The White Paper itself, however, is not entirely clear and in some parts is historically inaccurate. The glow, also, has been a little dimmed by a statement from the permanent head of the Bantu Affairs Department that the scheme could not be interpreted as meaning that the Whites at any time intended to surrender political supremacy even over the areas of the proposed Bantustans.

The Opposition intends to oppose all four of these measures to the utmost permitted by the limited debating time, and there is little doubt that the remaining two months of the session will produce some of the liveliest controversy of recent years. Each of the four measures raises issues of major South African importance, but their adequate discussion must await the end of the debates and the next issue of The ROUND TABLE.

## The Budget

DR. DÖNGES's first budget speech reflects the lawyer rather than the financier and, indeed, his budget (now that we have become used to the financing of massive capital works from deliberately budgeted revenue surpluses) is remarkable mainly for what it conceals and not for what it frankly states.

A prelude was the announcement by the Department of Posts and Telegraphs on February 20 of rather steep increases in internal surface and air postage rates, external surface mail rates and telephone charges. This step was taken as a departmental administrative matter and it apparently absolved the Minister of Finance from having to make reference to it in outlining his tax increases. Similarly, by reducing the subsidy on grain bags and on bread, he has pruned his estimates of expenditure by £3 million, which allows him

(apparently) to refrain from raising that amount from the taxpayer. Yet, under the system of controlled marketing for agricultural products, whereby prices are fixed ultimately by ministerial decision, this simply means that the burden is being shifted from the community qua taxpayers to the community qua consumers and the budget is relieved without corresponding increase in the community's available income. There are, of course, distributional effects, since the heaviest bread-eaters are not heavy income-tax payers; and it is not clear that a judicious review of the advantages and disadvantages of this step has been made. There does, however, appear to be a certain disingenuousness in the way in which this and other features of the budget have been put before the public.

Last September The Round Table was not so sure that the economy was likely to prove so sluggish or the market for public loans so tight as Mr. Naudé evidently feared.\* In fact, his successor was able to announce a surplus of £10 million on revenue account for the year 1958-59, which makes a useful nest-egg with which to start, when providing for a new record capital expenditure, estimated at just under £160 million, in 1959-60. Some £6 million of this surplus is the result of revenue collections in excess of the estimated amount, more than half from super-tax. It should be remembered that last year lower yields from income tax were forecast than in the previous year, largely on the grounds, so often repeated from year to year, that at last

there were no longer any arrears of consequence to be collected.

Once more it is the Capital Account that controls the Revenue Budget. Against an estimated requirement of £160 million for this Account, it is expected that investment of funds through the Public Debt Commissioners will come to £29 million and various recoveries which automatically accrue to the loan account will yield £18 million. Even with £10 million surplus available from the 1958-59 revenue account, that still leaves a great deal of money to be found. Drawings from existing loans granted by the International Bank will provide £5 million. Through fresh loans (or conversions of loans falling due for redemption, included in the £160 million) it is hoped to borrow £28 million abroad. It is also estimated that voluntary local loans will yield £22½ million (of which £5½ million will come from the tax-free 5 per cent bonds inaugurated last year) and that compulsory borrowing in the form of a savings levy on virtually the same terms as last year will yield £10½ million. The remainder, which amounts to almost £37 million, is to be obtained by budgeting for a surplus on revenue account.

The estimates of revenue for 1959-60, upon the basis of the previous year's taxation, come to a total of nearly £329 million. One minor concession to income-tax payers with families is the increase of the rebate for minor children from £14 to £15 per child or to £17 for each child after the second. A more important concession on the expenditure side is a no doubt welcome, though far from lavish, addition to the incomes of certain classes of pensioners. This amounts to a 10 per cent increase (up to a maximum of £100) in the pensions of former civil servants or their widows, virtually the same increase in military pensions and a reclassification of area differentials in the case of

<sup>\*</sup> See THE ROUND TABLE, No. 192, Sept. 1958, p. 399.

old-age pensions, so that the pensioner in a rural area will no longer get less than a pensioner in a small country town and the pensioner on the outskirts of a large city will get the same as a pensioner who lives inside it. The whole group of such pensioners, if White, will also get an increase of 10s. a month in urban areas or 5s. a month outside, while Coloured or Asian pensioners will get an extra 2s. 6d. a month and Africans (by a process not finally determined) a rise of approximately 5 per cent. These adjustments are estimated to add just under  $£2\frac{1}{2}$  million to expenditure.

Concessions are also made in the initial allowances against income tax for the development of ultra-deep-level gold mines. These do not, however,

involve immediate loss of revenue.

## Finding Additional Revenue

WITH these adjustments (and taking into account the reduction of food subsidies which still involves the consumer in dipping further into his pocket for his bread) revenue at just over £328 million would overtop an expenditure of £299 million by £29 million. This, however, would be insufficient to fill the gap in the loan account and almost £8 million extra tax revenue has to be found. Dr. Dönges has shown some ingenuity in finding victims whose misfortunes will be welcomed by somebody else. The proprietary insurance companies will find a certain consolation for somewhat increased burdens in the fact that the mutual companies, which in South Africa are extremely strong competitors, are to be placed on exactly the same footing as themselves. The banks will be glad to see the building societies assessed for company tax and for stamp duties on fixed deposits like themselves. The wine farmers, upset by last year's duties on brandy, will be pleased that at any rate an extra 2s. 6d. per proof gallon is now to be levied

on cane spirit and an extra 1s. 3d. per gallon on beer.

The Chambers of Commerce, which have been agitating for the ending of the government monopoly of the import of rice (on which profits of over £1 million were being made) will regard the imposition of an import duty of 3d. per lb. as an adequate quid pro quo for letting the trade revert to private enterprise. The manufacturers of breakfast foods are being appeared with a temporary rebate of the whole rice duty. The private motorists and the motor clubs, who have long agitated for a more equitable arrangement than the one whereby the diesel lorries, which do the most damage to the roads, pay the least in taxation, are not displeased that the duties on diesel oil have been increased from 2d. to 141d. per gallon, the same level as is charged on petrol, while the farmers (who would find such a jump extremely burdensome, as is evidenced by the fact that over £6 million is to be made available for assistance to farmers by way of loans in the capital programme) are relieved that it has now apparently been found possible to charge 141d. per gallon on road transport diesel oil and only 2d. on farm tractor diesel oil, although the opposite had repeatedly been urged against the Automobile Association's pleas for an adequate contribution from heavy transport to the road fund. No doubt more than one special interest—whether the purveyors of competitive entertainment or the guardians of youth-will feel relief rather than dismay that the long-playing gramophone record boom has attracted the greedy eye of the Fiscus to the tune of 1s. per record.

To the Minister of Finance, no doubt, the main consideration is that he hopes to find in these ways, each of which will find a certain welcome, the £8 million or all but £8 million which he needs for his loan account. But he gives an impression which is not wholly convincing of unselfish activity in doing good for its own sake. He says the insurance companies are rich enough to bear a fair share with other companies, but does not attempt to tax them merely on their net profits from insurance. He taxes them on investment income; which means he is taxing not merely rich companies but large numbers of thrifty small savers, each doing his best, so far as the Treasury permits him, to bear his own burdens and not to come to depend on State social security which the Treasury in the end can barely afford to give him. Still, at least the Minister merely ignored that he was getting at the policy-holders as well as the companies, and did not use the argument that the policy-holders ought rightly to be taxed, since the moneys invested on their behalf would result in their being paid out on maturity of their policies more than the aggregate of the premiums paid through the years. In fact, with the purchasing power of money still declining, even though more slowly than before, i.e. latterly at rates of 3 to 3½ per cent per annum, it is hardly true that the policy-holder gets any net return over the years at all. He will do well if he gets back in the end the purchasing power of what he has put in. It is only the smaller saver's lack of any better alternative, which might safeguard him against the hazards of inflation, which makes his life assurance policy a rational investment. And he is now to be taxed on this.

It might be added that equity does not necessarily demand the end of all discrimination between the taxing of mutual and of proprietary insurance profits. In the case of the giant mutual companies that may virtually be the case, but not in that of the newer, smaller ones, whose policy-holders may be at a tangible disadvantage. Should there be seriously unfavourable claim experiences, the policy-holders of a mutual company lack the protection which an adequate backing of shareholders' capital provides and they themselves have to bear a loss which otherwise might fall on the proprietors.

If the Minister's justification for his raid on insurance investment income is less a matter of equity than his speech implied, there was a certain unctuousness about his arguments on the positive advantages of putting up the price of bread. This, he implied, was necessary in the national interest, to encourage the consumption of maize surpluses, which are being exported at a loss, instead of wheat, of which production at home is insufficient. There is some sense in encouraging such a switch, and changes in relative prices are a sensible means to the end. But bread sold ready-baked and mealie meal which has to be cooked are by no means perfect substitutes, to be switched in response to small price differences, for the new African industrial populations forced to give increasing periods of the day to travel from more distant suburbs to their places of work. Moreover, a bread subsidy would not of itself have "encouraged the consumption of wheat at the expense of maize to such an extent that in some cases pigs had been fed on wheaten products"

in the absence of particular policies regarding milling (which involves quantities) and regarding the relative prices of flour, meal and by-products on the part of the Wheat Control Board. In fact, even before the war, wheaten bran sold for less than maize, and if the Government wishes to cut the production of wheaten by-products to be used as pig-food it ought to do its best to encourage the consumption of brown bread, which is now to cost as much as white. There is little point in a Finance Minister's setting out to put the world to rights in the course of solving his own budget problems, by raising a new tax here or reducing an old subsidy there, without the co-operation of such colleagues as the Minister of Agricultural Economics. Of course, if the Minister of Labour really gets going on his proposals for universal racial job reservation, the Minister of Finance will get to learn rather painfully how impossible the Treasury's task may become without the intelligent co-operation of his colleagues.

South Africa, May 1959.

# NEW ZEALAND

#### STATE OF THE NATION

AYEAR ago New Zealand was in serious difficulties in her balance of payments. Exchange reserves had run down to a level where immediate action was necessary, and complete import and exchange controls were imposed overnight. Midway through last year government estimates of the balance-of-payments deficit for 1958 were running at between £55 million and £70 million (exclusive of borrowing).

At the end of January the Minister of Finance (Mr. Nordmeyer) stated that unexpected and gratifying increases in export earnings had greatly improved the position, enabling the nation to finish the year with a surplus of £13·1

million on oversea transactions.

As compared with an estimate by the Minister six months previously that export receipts for 1958 could be as much as £50 million below those for the previous year, export prices for 1958 actually returned £273.3 million, or only £10.6 million less than for 1957. Unfortunately, a £26.5 million fall in wool receipts spoiled what could have been a distinct recovery in the export field. In a Reserve Bank analysis, released simultaneously with the Minister's statement, it was recorded that the more favourable result achieved was due to highly profitable sales of meat (mainly boneless beef) to North America, the recovery in butter prices in the United Kingdom and a highly satisfactory return for cheese. The lower average level of prices for dairy produce was more than offset by the greater volume of sales. Incidentally, exports of beef to the United Kingdom were much reduced.

Receipts in "other exports" fell in total by £2.8 million, and declines were recorded in receipts for sheepskins and pelts, sausage casings, milk by-products and fish, but these were partly offset by increases for casein, tallow,

fruit, timber and wood products.

Included in the official receipts were £6.8 million from the realization of government-held investments oversea. An almost equivalent amount (£7 million) of reinvestment took place at other times during the year, so that there

was on balance no significant change in those investments.

Any satisfaction felt, however, at New Zealand's improved financial position as compared with earlier estimates should not cloud the fact that the surplus of £13·1 million in oversea exchange transactions was achieved only after £44·7 million had been borrowed externally. Without this loan money 1958 would therefore have closed with a deficit of £31·6 million, which approximates to the deficit for 1957.

Of the £44.7 million,\* the overdraft arranged with the Midland Bank, London (up to £10 million available for two years), was not drawn on in 1958. This came as pleasing news, especially as it eases a possible added drain

<sup>\*</sup> See THE ROUND TABLE, No. 194, March 1959, p, 210.

to be imposed on oversea earnings for the next year or two in order to repay the short-term loans raised to tide over last year's crisis.

During 1958 the net oversea assets of the New Zealand banking system rose by £10.4 million to £55.1 million on December 31. Drawings of £7.4 million against the Australian bank credit of £10 million are included in the receipts. As they constitute a liability of the Reserve Bank in oversea currency, however, they are, in accordance with normal practice, deducted from oversea assets to arrive at the net figure.

In any interpretation of the rise in net oversea assets to £55 million, account needs to be taken of the fact that some of the Government's external borrowing during the year was of a short-term nature, and there are loans maturing amounting to £3.6 million in 1959 and £8.3 million in 1960. Mr. Nordmeyer said that higher earnings this year and reduced expenditure on imports would not remove the necessity to borrow more oversea to maintain the reserves at a reasonable figure.

The Minister commented on the fact that payments for imports in 1958 amounted to £274 million, being a reduction of £24 million on the amount of the previous year. This lumps together both government and private imports, and does not make it clear that private imports actually fell by £28 million, whereas government imports rose by £4 million, and this fact caused some unfavourable comment. However the figure is made up, the Minister stated that, as it is desirable to keep oversea borrowing down, licences for imports this year are being issued on a lower scale than last year.

A vital factor in our economy is the maintenance of full employment through the provision of adequate raw materials for manufacturing industry, [said the Minister]. The requirements of industry must represent the first call on our overseas funds. Until these needs have been fully assured, it would be unwise to issue licences for consumer goods which would have to be paid for out of borrowed money. When circumstances change sufficiently to allow an easing of import control the Minister of Customs will make an announcement of the extent to which this is possible.

While, the balance-of-payments position at the close of last year, was approximately the same as at the end of 1957, there was a considerable improvement late in 1958, due to lowered imports. The position latterly was better than the figures at December 31 last would indicate, as the following table shows:

						Oversea balances less official borrowing £ millions		
12 months to Dec. 1957							31.5	
99	99	Dec. 1958					31.6	
"	99	Feb. 1958					36.9	
***	33	June 1958					44.6	
**	33	Feb. 1959					22.2 (latest available)	

Because of the building up of oversea funds since January, the Minister of Customs (Mr. Boord) was able to announce on April 13 a liberalization of the

import controls to an extent which he said may mean the spending by New Zealand of an additional £18 million oversea during the current financial year. He emphasized that there had been no change in policy and that the relaxations announced were a distribution of additional funds for imports within the general import licensing structure. The items affected were (i) some consumer goods and raw materials on an automatic allocation basis, and (ii) raw materials and equipment for the particular needs of manufacturing industries, allocations to be subject to consideration of individual applications.

The Minister said that these additional allocations should bring the provision for private imports in 1959 to about £210 million, which was less than the expenditure (£240 million) on private imports in 1958, but that a comparison could not be made because last year's figure included "excess" licences amounting to £17 million. The new total, he said, represented a considerable increase on what had seemed possible a few months previously. The 1958 import level had been made possible only by borrowing oversea on an unprecedented scale, and that could not be continued indefinitely.

In the field of domestic finance, the Minister of Finance announced on April 2 a public account surplus of £15.5 million for the year ended March 31, 1959, as the total cash result of government transactions. He pointed out that the surplus had been achieved only after longer-term borrowing oversea of £27.4 million. "A shorter-term credit of £16.5 million from a group of banks in the United States was raised for balance-of-payments purposes and the proceeds in New Zealand currency have therefore been used to repay government short-term debt", said Mr. Nordmeyer. He stated that details of the various accounts would not be known for some time. Although the surplus was not so large as in some recent years—in 1954–55 it was £17.7 million and in 1951–52 £26 million—the Minister considered that it could be regarded as satisfactory, particularly in view of the much lower level of external borrowing which must be expected for the new financial year.

## **Trade Development**

THERE is considerable importance to the Dominion in the way in which her hopes of expanding her exports to Japan are faring in practice. Recently, several private Japanese trade missions travelled quickly through New Zealand testing the possibilities of the market for their goods. The Prime Minister (Mr. Nash) returned from an official visit to Japan and announced that "good, sound commercial practice" would be the basis for trade between the two countries, and added: "We will sell at proper commercial prices established according to costs of production and we will buy from Japan in the same way." This appears to be an unnecessary declaration, for the position in that respect is specifically safeguarded in the terms of the trade pact. Mr. Nash did say, however, that he was certain New Zealand could get a fine trade in coal if New Zealand had the coal required, except that there were shipping and other difficulties.

A month previously a cable from Tokyo had stated that a preliminary analysis by Japanese steel mills of a trial shipment of coking coal from the Paparoa mine in Westland had shown it to be of excellent quality, and that the mills were to seek a contract for purchase if an investigation made by experts established that deposits were large enough to justify this course. (In this connexion, the Paparoa mine is said to have enough coal to last five

years, with the possibility of greater deposits yet unproven.)

Japan is a large importer of coal, its annual requirements amounting to roughly five million tons a year. This is now being obtained largely from America, and to a lesser extent from Australia. As for cost, it is clear that New Zealand has little prospect of capturing anything like a sufficient share of this market unless it is able to quote a price comparative with that paid for coal from these two countries. But, assuming the price is satisfactory to the Japanese, there are still shipping and loading difficulties at Greymouth and Westport, with their bar harbours. These will have to be overcome if the West Coast coal in which the Japanese are interested is to be shipped in any quantity through these ports. According to the Japanese Trade Minister, Mr. Takasaki, Mr. Nash suggested that Japan should agree to import coal on a long-term basis so that New Zealand could improve harbour and other facilities with a long-range business outlook in view. Though it would be regrettable if New Zealand was unable to take advantage of the Japanese market, the situation has to be examined in the light of the return the country would receive for any additional capital outlay on harbour development.

In return for its purchases from New Zealand, Japan hopes to extend its exports to the Dominion to include machinery and heavy plant. Keen disappointment over the severity of New Zealand's import restrictions was expressed by the members of one of the Japanese trade missions visiting the country. These comments, however, are not to be taken as meaning that business houses are not interested in bringing in Japanese goods. To the limited value of the licences they hold, importers have already committed themselves to orders elsewhere in respect of the 1959 import licensing period. As the restrictions no longer discriminate against Japanese goods as such, the use by importers of their 1960 period licences when available (as well as the additional licences now available for 1959) should tell a different story. Certainly Japan is unlikely to be interested for very long in buying heavily from New Zealand but selling little.

In the field of trade development generally, the New Zealand Government is implementing its policy of establishing a ring of trade posts around the world to the point where it is running short of trained staff. However, the Minister of Industries and Commerce (Mr. Holloway) has explained that these men are not trade-getters but trade facilitators. There can be no doubt that trade openings must be further explored and won by manufacturers and exporters themselves, with governments settling policy issues between them, and official trade representatives preparing the ground and oiling the

springs.

It was largely due to reluctance in the support given by manufacturers that there has been a delay of nearly two years in sending a trade mission to Australia. Such a mission, sponsored by the Government, and including leading and representative business men, spent a fortnight in Australia in April. The numerically strong team was vigorous and outspoken in a quick tour it made of the main cities, and gave ample evidence that exporters and potential exporters in New Zealand have come to realize that active trade promotion is essential and urgent.

Before the departure of the mission for Australia, Mr. Holloway, accompanied by the mission's leader, visited the Commonwealth and had talks with

the Australian Minister for Trade (Mr. McEwen).

The task facing the mission has not been easy. In the trade between the two countries there is a large balance in favour of Australia. Despite New Zealand's past efforts, that balance has grown rather than diminished. The Australians, who are themselves vigorous and efficient salesmen, are not easy to sell to. They shrug off the trading deficit by pointing out that it has no absolute significance because surpluses or deficits are all adjusted on a basis for settlement of the net balance of payments. The New Zealander agrees that that is so, but holds doggedly to the contention that it takes more than one shrug to dispose of an annual trading advantage to Australia of £20 to £30 million.

In addition, there has been public criticism that Australia, while giving assurances of free and generous entry for New Zealand goods, has in practice found obstacles and emergencies standing in the way of carrying out those assurances. A new tariff on the importation of New Zealand frozen vegetables was imposed by the Australian Federal Government last year. It rather ironically followed an announcement by the Minister of Defence that New Zealand was to buy 15,000 rifles in Australia at a cost of £1 million.

In 1956 an agreement was negotiated at the highest level between the Governments of Australia and New Zealand. It provided for greater trade reciprocity and for the future expansion of trade to be self-balancing. New Zealand increased her exports to Australia and appeared to be achieving a more favourable balance, but imports from Australia continued to rise until there was a record adverse balance of nearly £25 million. New Zealand again increased her trade the following year, but imports from Australia soared to £44 million, leaving an adverse gap of £34 million. Exporters from this country cannot be blamed for thinking that the statements so frequently made by official spokesmen for the Australian Government about greater trade reciprocity are valueless platitudes.

Australia is a bulk producer and competitive seller of materials essential to this country, particularly wheat, sugar, iron and steel and petroleum products. The increase in the Australian share of the New Zealand market has been obtained at the expense of Great Britain, and though Australia extended trade credits to the value of £18 million to New Zealand last year it meant that she further protected her trade with New Zealand to that extent.

As against New Zealand's view that she is entitled to some preferential treatment as a major customer, Australia can point out that New Zealand buys as much as she does of Australia's products because it suits her to do so. Australia can say: "Very well, what have you got to sell, and what are your prices?" It is necessary for New Zealand to show that she can supply what

Australia wants, can give quality and can compete in price with other countries similarly seeking a market in Australia.

#### Commonwealth Relations Conference

THE sixth Commonwealth Relations Conference, held in Palmerston North in January, did not attract so much public attention outside the host city as was warranted by the importance of the matters it discussed and by the calibre of the delegates who attended. This may have been due to (1) its unofficial nature, (2) its infrequency (once in five years), giving it no continuous identity, (3) the fact that the press was not admitted but was supplied with prepared reports, necessarily couched in very general terms, and (4) the fact that the average New Zealander has thought very little about many of the important issues discussed at the Conference. On the other hand, the State-owned broadcasting service showed great interest in securing interviews with members of the Conference on their attitudes to important international problems.

With fifty-two delegates and guest members from sixteen countries, including representatives from all the independent nations of the Commonwealth and from Nigeria, East Africa, the Central African Federation, the West Indies and Singapore, the Conference was more widely representative than any that preceded it. In contrast to the practice in the past, when press statements issued merely summarized the trend of discussion on particular issues, the conference issued statements setting out a "general consensus" of opinion among delegates on some major problems. There was, of course, no consensus on race relations. On the more contentious problems of international politics, such as the recognition of Communist China and attitudes to security pacts, the consensus was couched in such general terms as to leave

room for wide differences of interpretation.

By contrast, the statements on economic matters revealed a considerable community of interest and agreement in principle. Perhaps most notable was the statement on the European Economic Community and the breakdown of the negotiations for a free trade area. This suggested a joint Commonwealth approach to the six members of the Community, offering them entry to Commonwealth markets on equal terms with members of the Commonwealth, in exchange for removal of barriers to the entry of British products and freer entry for Commonwealth exports to the Community. Nevertheless, it seems evident that there is as yet no widespread feeling in favour of any more formal machinery of co-operation in the Commonwealth, even in the economic field. For the foreseeable future, the keynote of Commonwealth relations is likely to remain consultation among independent nations; joint action on a Commonwealth basis will probably be the exception rather than the rule.

New Zealand, May 1959.

# RHODESIA AND NYASALAND

## A WARNING JUSTIFIED

OUR last report, written in November 1958, contained a warning that "the African Congresses in Northern Rhodesia and Nyasaland plan to make 1959 a difficult year for Europeans so that they may impress upon local Governments, and the British Government, the fact of their determination". The final words of the article were, "Time is short and statesmanship, and an understanding of the African point of view, are greatly needed. Time is very short."

So much has happened, both good and bad, in the first months of this year that it would be possible to give examples to show that partnership was making unprecedented progress and that the future was bright with hope; but other happenings could be cited to show that Federation had proved to be an empty dream, or, worse, that it had proved to be a nightmare. Whatever may be the hope for the future, it must be accepted that the last three months have fully borne out the statement that the Congresses were planning to

make 1959 a difficult year.

It is said that the great majority of the African people are law-abiding and are supporters of Federation, and that the trouble-makers are few in number. It has even been suggested that the Accra Conference of last December can be blamed for the insurrection in the Federation; but those who face the facts realize that the causes of our present distress lie within the Federation itself and that the number of disaffected people is large. We have failed to give the African point of view the consideration it deserves; the Federal franchise law limits participation in the election of ordinary Members of Parliament to an almost exclusively European electorate, and the oft-repeated statement that we will seek full Dominion Status in 1960 has caused widespread fear, especially amongst Africans in the north. It would be wrong to minimize the effects of irresponsible statements and actions by our "friends" in other parts of Africa, in Britain and America, and included with these should be irresponsible acts by both Africans and Europeans throughout the Federation. On the other hand it must be admitted that the responsible statements made by those, both near and far, who disagree with the typical European outlook here are often the ones that arouse the greatest indignation of all.

Southern Rhodesia was the first territory to declare a State of Emergency; this was done on February 26. On the same day the Governors of Nyasaland and Northern Rhodesia both stated that there was no need to take similar action in their countries, but it was later revealed that on that day the Governor of Nyasaland had cabled the Secretary of State saying that he

might yet have to take such action.

In Southern Rhodesia almost 500 men had been detained in an earlymorning sweep, but the Prime Minister gave the assurance that the Emergency would be confined to a thirty-day period and this opportunity would be used to make amendments to the Public Order Act to give the Government authority to ban certain societies and to hold certain persons in custody

for a period in excess of thirty days.

; f The Prime Minister asserted that members of the African National Congress were attacking the authority of the Chiefs and of government officials, and that powerful racial propaganda was being used to endeavour to draw away the loyalty of African police and African employees of the Native Department. The Government had decided that it was best to remove the people who were causing the mischief. Arrangements for this exercise had been agreed to in December 1958, but the final decision to declare a State of Emergency had been taken only a week before. The Prime Minister stated that he believed it would have been better if all the Territories had acted together, so that a State of Emergency would then have covered the whole Federation.

The Government received the almost unanimous support of the European population and there was also some African support. In certain areas in Southern Rhodesia, African Congress officials had intimidated people and had demanded money. In these areas the arrests had brought a sense of relief and Africans wrote to the Prime Minister assuring him of the rightness of his action. The support so openly given led Sir Edgar Whitehead to believe that he had the backing of all the people of Southern Rhodesia in his plans for the future—but this was not correct.

As early as January 20 there had been a riot in Nyasaland, but by January 26 "conditions in Nyasaland had returned to normal". Then from February 20 riots broke out again and on that date troops were sent from Rhodesia. On March 3 the Governor of Nyasaland, Sir Robert Armitage, declared a State of Emergency and 149 Congress officials were detained. Later, the Governor stated that a plot to sabotage communications and to assassinate certain Africans, Asians and Europeans-including the Governor himself-had been discovered. Sir Robert Armitage stated that this plot had been formulated at a meeting which had taken place on January 25. On the previous day Congress had held a Conference and had decided to call a general strike if their demands for constitutional change were rejected, these demands being, according to Dr. Banda the President of Congress, that Africans should be given a full majority in the Legislative and Executive Councils. The meeting on January 25 had been held at a secret place and had been attended by 140 delegates, who had travelled by motor lorries. Dr. Hastings Banda had not attended this meeting, at which the delegates had been sworn to secrecy under threat of death.

The Governor stated that by February 13 his Government was in a position to assess reports of the proceedings of the "death-oath" meeting. These reports had been derived from a "number of different sources".

Those with experience in Africa could well imagine that someone at the meeting would demand that anyone who divulged what had taken place should be killed; but the impression gained from official statements and actions is that the Government itself did not take the Conference very seriously. It is difficult to believe that the delegates who came in such

numbers, and by motor lorry in so public a manner, had taken the "oath" very seriously either. If they had done so, if it had been an oath comparable with Mau Mau, then it would probably have been more difficult for the Government to gather its information so quickly. If the plans to assassinate named persons had been taken in full seriousness, it is hard to understand why the Governors and Prime Ministers did not meet until February 20, and why the Governor was prepared to hold discussions on a wide range of subjects with Dr. Hastings Banda on about the same date. The Federal Prime Minister did not announce a call-up of Territorial forces until February 23, and then it was to state that, "because of the continuing unrest in Nyasaland", these men would be called up and "would undertake special training".

At the same time the Secretary for African Affairs in Nyasaland said that the Government was satisfied that the depositions of police and troops concerted by the heads of the four governments would be able to deal with

situations as they arose.

Not until February 28 was it announced that Territorial forces in Northern Rhodesia would be called up on March 3 as a precautionary move, in view of events in Nyasaland.

The appointment of the Devlin Commission to inquire into happenings

in Nyasaland is a necessary and welcome decision.

The actual declaration of a State of Emergency in Nyasaland stirred the people to violent action, and following the arrest of Dr. Hastings Banda, and other Congress leaders, security forces killed twenty-six rioters on the first

day of the Emergency, the total now standing at fifty deaths.

In Northern Rhodesia no State of Emergency was proclaimed; but the Governor of the Territory holds particularly wide powers and under them he was able to ban the Zambia Movement, which contained the extreme men who had earlier left the African National Congress to follow Mr. Kaunda. This movement had threatened to wreck the implementing of the new electoral law by persuading Africans not to register. The African Congress not only supported the new regulations but was successful in getting one candidate, Mr. Nkumbula, President of the A.N.C., elected to the Legislative Assembly.

## A Dangerous Situation

THE position in the Federation today is critical and dangerous. In Nyasaland it is difficult to know how to surmount a growing apprehension on the part of so many people, a fear which has culminated in the death of fifty people.

Governments and people seem to be under an inescapable compulsion to commit the same mistakes which were made in Kenya and Cyprus, and unless there is a radical change of heart and of direction great suffering must

come to the people of all races.

The position of politicians is not easy. It is known that the Federal Prime Minister has assured the Secretary of State for Commonwealth Relations that his Government is moving as quickly as possible in removing causes of dissatisfaction and friction between the races. Recently the Federal Government has been joined by Mr. J. Z. Savanhu as Parliamentary Secretary to the

Minister. If only this step had been taken when the Cabinet was announced and not delayed until Africans had been killed in demonstrations against their Government, it would have meant a great deal. The Federal Prime Minister has also abandoned his plans, which had been announced since the election, to maintain segregation in the Post Offices of Southern Rhodesia, but to staff African sections with African assistants. This policy was most unwelcome to Africans and to many Europeans, and the recent decision to take down all racial notices and to remove barriers is right; but Africans recognize that these concessions have resulted from emergency situations, and so good actions lose their significance because they are not done at the right time. It does appear that governments believe that they cannot act until the position from the African point of view has been completely prejudiced.

The fundamental difficulty, from the Federal political angle, is that the electorate upon which the Government depends for its survival is confined, in fact, to Europeans, though the "A" roll is, in theory, open to people of all races.

Her Majesty's Government accepted the Federal Electoral Act in the belief that the "B" roll would be acceptable to Africans and that more than 50,000 would register in time for the last election, thus demonstrating that they were satisfied with the system of special African representation and were ready to co-operate with the voters on the "A" roll in choosing their representatives. The measure of African disagreement can be gauged by the fact that, instead of a possible registration of 80,000 people, fewer than 800 voters did register.

Here lies the greatest stumbling-block in the way of partnership, and we may ask what attitude Her Majesty's Government will now take in the face of a dangerous situation, for which they must accept their full share of responsibility. The unwisdom of the Federal Government has brought the Federation into great danger and it can only be extricated by imaginative and courageous policies. However, the Federal Prime Minister has shown that he cannot pursue such policies, or, if he does take definite action in racial matters, such action is so long delayed that it has lost its significance by the time it is eventually taken. This situation arises from the fact that the Federal Government depends upon a European electorate, and Africans cannot exert their fair and proper influence on the situation because they simply do not earn sufficient money. Many thousands of responsible and educated Africans could today be exerting their influence, and contributing to real stability of government, if they were not debarred from the "A" roll by qualifications designed for one end only, that of maintaining not just responsible government, but the continuation of a policy of European supremacy.

In accepting the Electoral proposals Her Majesty's Government may well have believed that they were acceptable to Africans also, but it is to be hoped that this experience will be remembered when other decisions have to be made on a basis of advice from Federal Government sources. It is recognized that Her Majesty's Government is in a difficult and embarrassing situation, but our present problems have arisen from a lack of positive action in the past, and today's circumstances grow more difficult and vastly more distressing.

The most important step that should now be taken is to negotiate for the amendment of the Electoral Act so as to make it possible for all responsible Africans to vote alongside Europeans in the next Federal election; and no important constitutional changes should be considered until after that election. This would assure Africans that there would be partnership in all future decisions concerning the Federation.

Until Federal policies are corrected it is not possible for Territorial policies, no matter how liberal, to succeed. Until the Federal Government is put into the position where it is not only able to consider the African point of view, but it must do so in order to survive, its policies will not be corrected.

Federation was accepted by the Southern Rhodesian electorate on economic arguments, and economically it has proved a great success. What is so disturbing to many people today is to be told that the economic position is now in danger of crumbling because we did not consider it necessary to lay

a foundation of human respect and consideration for one another.

There is no doubt that if such a foundation can now be laid, and the implications of partnership fulfilled throughout the whole structure of our life, Federation would bring great prosperity to the three States, and particularly to Nyasaland. If Nyasaland were permitted to secede from the Federation then, economically, she would have no hope left, for a Federation with Tanganyika would link two States whose economies were not complementary and two poor people do not make one rich one. Also, if Nyasaland seceded, the African people of Northern Rhodesia would demand secession also. The suggestion that Southern Rhodesia could then turn to the Union of South Africa is unsound from many points of view. From the South African viewpoint it would not be very welcome, for it would add 2½ million Africans and only 200,000 Europeans to a country whose policies of apartheid demand for their success a high proportion of Europeans in the structure of the population.

Federation is a sound policy for the three States, but our lack of recognition of the importance of winning the confidence of the African people now demands of us far greater consideration, far greater concessions, than would have been required of Europeans today if the right policies had been put into

action in 1953.

Shall we be big enough to assist Nyasaland to self-government at the earliest possible moment—it will have to be at a date earlier than is advisable from other points of view—should we be ready to return a wide range of functions of government, at present the responsibility of the Federal Government, to the new self-governing State? Only generous policies will gain for us the confidence of the African people, and what our 300,000 Europeans must now realize is that sound government depends upon the consent of the governed—and that there are 7 million Africans who will have a considerable say in our future. It is vitally important that they should be our friends.

Rhodesia, May 1959. One of today's most firmly favoured investments

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PRINTED IN GREAT BRITAIN
AT THE UNIVERSITY PRESS, OXFORD
BY VIVIAN RIDLER
PRINTER TO THE UNIVERSITY

Library.

